



HYPERION DECIMUS

# CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

21st December 2025

## BITCOIN-RELATED



**Citi forecasted that Bitcoin could reach \$143,000 over the next year, with a bullish case above \$189,000 and a bearish scenario near \$78,500.**

**Fidelity's global macro director Jurien Timmer suggested 2026 could be a "year off," for Bitcoin with key support seen between \$65,000 and \$75,000.**

**The Ministry of Justice revealed that Taiwan now holds 210.45 Bitcoin in seized assets.**

**The Kingdom of Bhutan said it will tap into 10,000 Bitcoin from its stash to help build its special administrative region, the Gelephu Mindfulness City (GMC).** (Located in the town of Gelephu in Southern Bhutan, GMC was launched in 2024 as Bhutan's new economic hub to stop the exodus of young Bhutanese from the country by creating high-value local jobs.)

**Strategy retained its place in the Nasdaq 100 one year after being inducted into the tech-heavy exchange's benchmark index.** (Last year, Strategy's inclusion on the Nasdaq 100, the basis for the popular Invesco QQQ ETF, was predicted to result in about \$2.1 billion in net buying of the company's shares as portfolios adjusted to the move, according to Bernstein analysts.)

**Strategy acquired 10,645 Bitcoin for \$980.3 million. The purchase brings Strategy's total holdings to 671,268 BTC.**

**Norway's Norges Bank Investment Management (NBIM), the manager of the country's \$1.7 trillion sovereign wealth fund, voted in favor of all five management proposals at Metaplanet's upcoming Extraordinary General Meeting (EGM), endorsing the firm's Bitcoin treasury strategy.** (NBIM held a ~0.3% stake in Metaplanet as of June 30.)

**American Bitcoin added more than 1,000 Bitcoin to its reserves since the start of December, lifting its total holdings to 5,098 BTC.**

**Bitcoin treasury company KindlyMD faces delisting from Nasdaq due to its shares consistently closing below \$1.** The company has until June 8 to meet compliance requirements, with Nasdaq

potentially extending the deadline up to 20 consecutive business days. (The company's board announced an authorization of a flexible share repurchase program.)

**Steak 'n Shake announced it will give employees of its 400+ locations the option to be paid in Bitcoin.**

**MetaMask officially added native Bitcoin support to its consumer wallet, letting users buy, send, receive, and swap BTC as part of the platform's broader multichain push outside the Ethereum ecosystem.**

**Bitcoin Bancorp will join Bitcoin Depot, CoinFlip, and others in offering crypto ATMs to Texas, where the government has invested in BTC as a reserve asset.**

**Bitcoin financial services company Fold announced its platform is now available in all 50 US states.** The expansion follows a strategic partnership with BitGo Bank & Trust, which recently became one of the first digital asset companies to secure a federal bank charter from the OCC.

**BitGo will now offer Bitcoin Lightning Network access directly from its qualified custody platform** making it one of the first companies to provide Lightning payments for institutional custody.

## INDUSTRY ADVANCES



**At a Dec. 17 event, Coinbase announced it's rolling out an "everything exchange." It will add** stock/ETF trading, tokenized stocks, prediction markets, future/perpetuals, Solana DEX trading, primary token sales, and more – with the goal of becoming a full-service financial platform to compete more directly with platforms like Robinhood and Interactive Brokers.

**Binance is reportedly weighing ways to restart Binance US, including fresh funding that could** shrink founder CZ's stake, as his control has reportedly blocked the exchange's expansion across several US states.

**CME Group launched Spot-Quoted XRP and SOL futures, complementing the existing Spot-Quoted** Bitcoin and Ether futures.

**PayPal, which has adopted crypto in recent years, applied for a US banking licence, aiming to grow** small-business lending capabilities that have already delivered \$30 billion in loans and capital since 2013.

**Tradeweb Markets announced that it completed the industry's first fully electronic auction for** brokered certificates of deposit (CDs). The inaugural transaction was executed on-chain, powered by Alphaledger's blockchain technology.

**For the first time ever, key real-time TSX Venture Exchange market data is now available on** blockchain networks through Chainlink's institutional-grade publishing service DataLink.

**The Court of Auditors of the State of São Paulo will conduct Brazil's first public auction using** blockchain technology to enhance transparency and reduce disputes. 10 warehouses will be auctioned off, with all documentation timestamped and recorded on an unidentified blockchain.

**Elliptic, a global leader in digital asset decisioning, unveiled its next-generation Data and Intelligence Platform, purpose-built to meet the rapidly growing digital asset industry.**

**Jump Crypto's Firedancer validator client went live on the Solana mainnet after roughly three years of development, marking a major step toward Solana's long-term goal of supporting up to one million transactions per second in real-world conditions.**

**BitMine Immersion Technologies bought \$320 million ETH and another \$140 million ETH, extending its aggressive accumulation strategy. The company said it holds nearly 4 million ETH, worth about \$11.6 billion.**

**Robinhood is rolling out NFL parlay and prop bets on prediction markets platform.**

**Coinbase filed preemptive lawsuits against Michigan, Illinois, and Connecticut regulators, challenging their authority to classify prediction markets as unlicensed gambling, arguing they're CFTC-regulated financial derivatives protected by federal preemption over state gambling statutes, mirroring Kalshi's successful legal framework.**

**Winklevoss-led Gemini rolled out prediction markets in 50 US states, saying its prediction markets are now live nationwide via affiliate Gemini Titan after it secured a CFTC Designated Contract Market license.**

**DraftKings launched a standalone predictions app, formally entering the prediction markets industry. The app is separate from DraftKings' core sportsbook and will roll out across major app stores in the coming days.**

**PancakeSwap will help incubate Probable, a prediction-market platform on BNB Chain that lets users bet on events ranging from sports to politics using automated USDT conversions and blockchain-based price feeds.**

**Following a recent receipt of a No-Action Letter from the SEC to implement and operate a new service to tokenize real-world, DTC-custodied assets, the DTCC (the premier post-trade market infrastructure for the global financial services industry) alongside Digital Asset Holdings and the Canton Network, announced a new partnership to enable the tokenization of The DTC-custodied assets on the Canton Network.**

**JPMorgan launched its first tokenized money-market fund on Ethereum, seeding the private "MONY" fund with \$100 million and allowing wealthy investors to earn yield through blockchain-based tokens that represent traditional low-risk cash investments. (JPMorgan also moved its JPM Coin tokenized deposit system from its private Kinexys blockchain onto Coinbase's public Base network.)**

**Securitize plans to launch compliant, natively tokenized stocks in early 2026, enabling real equity ownership to trade 24/7 fully onchain.**

**Reportedly, Plume is seeking US regulatory approval to let users buy blockchain tokens linked to RWAs like businesses and oil wells.**

**SBI Ripple Asia has partnered with Doppler Finance to explore XRP-based yield products and asset tokenization on the XRP Ledger. The collaboration aims to build institutional-grade yield infrastructure and expand the use of tokenized real-world assets.**

## MINING



**Bitcoin's total hashrate fell nearly 10% in a single day. Reports suggest ~400,000 mining machines were taken offline in China.**

**Bitcoin miner Hut8 booked a new \$7 billion, 15-year deal with Fluidstack – backstopped by Google – to provide power for high-performance computing via a 245MW data center at its River Bend campus in Louisiana.**

## ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



**The Invesco Galaxy Solana ETF (QSOL), offering staking through Galaxy, launched on Dec. 15.**

**Valour received approval to launch a Solana ETP in Brazil. The product, Valour Solana ETP (VSOL), is scheduled to begin trading on Dec. 17 following approval from Brazil's main stock exchange, B3 (Brasil, Bolsa, Balcão).**

**US pure spot XRP ETFs officially crossed \$1 billion in cumulative net inflows, just over a month since their November launch.**

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



**Stablecoin payments fintech RedotPay raised \$107 million in an oversubscribed Series B, led by Goodwater Capital, with participation from Pantera Capital, Blockchain Capital, and Circle Ventures, among others.**

**METYA, an AI-driven Web3 social platform that integrates dating and social interaction with token-based incentives, raised \$50 million in a strategic funding round, led by Century United Holdings Group.**

**Real Finance, the first fully decentralized and permissionless L1 Blockchain that offers native tokenization of RWAs, raised \$29 million in a funding round, led by Nimbus Capital.**

**LI.FI, a cross-chain liquidity aggregation protocol designed to simplify and optimize asset swaps and transfers across multiple blockchain networks, raised \$29 million in Series A funding round, led Multicoon Capital.**

**FinTenX Protocols, a blockchain infrastructure company providing staking and validator services for high-throughput L1 networks such as Solana, Sui, and Sei, raised \$22 million in a funding round.**

**YO Labs raised \$10 million in a Series A – led by Foundation Capital with backing from Coinbase Ventures** – to expand YO Protocol, a system that automatically shifts funds across blockchains to chase better yields without users managing each network themselves.

## IPOS, M&A, PARTNERSHIPS & DEALS



**The competition regulator in India approved Coinbase's acquisition of a minority stake in CoinDCX**, giving Coinbase a foothold in the major, growing crypto market.

**Anchorage Digital acquired Securitize for Advisors**, the firm's wealth management platform for RIAs.

**Exor NV, the controlling shareholder of Juventus Football Club owned by the Agnelli family**, rejected stablecoin issuer Tether's takeover bid of \$1.3 billion for Exor's 65.4% stake.

**ICE, owner of the NYSE, is in talks to invest in crypto payments firm MoonPay**, which is targeting a \$5 billion valuation and recently strengthened its regulatory standing in New York.

**Trump Media & Technology Group, which raised \$2.5 billion to fund a Bitcoin treasury and struck a strategic partnership with Crypto.com**, agreed to combine with Google-backed fusion energy company TAE Technologies in a deal valued at \$6 billion.

**The Solana Foundation partnered with Project Eleven to test quantum-resistant transactions on a production-like testnet.**

**KuCoin announced an exclusive multiyear deal with Tomorrowland Winter and Tomorrowland Belgium from 2026 to 2028**, making the exchange the music festival's exclusive crypto and payments partner.

**Crypto lender Nexo became the Official Crypto Partner of the Australian Open and the Summer of Tennis**, securing a multi-year agreement with Tennis Australia. The deal includes branding visibility on on-court coaching areas during matches at major tournament venues.

## DEFI



**Lido DAO signaled plans to push beyond its core ETH staking business next year. The plan, titled "2026 Ecosystem Grant gRequest (EGG): Executing GOOSE-3,"** lays out a \$60 million budget for new products aimed at institutions.

**Russian bank Sberbank began testing DeFi products as crypto demand surged among clients**, with executives highlighting interest in tokenized assets and public blockchains like Ethereum for their mature technology.

**DeFi protocol Synthetix returned to the Ethereum mainnet after operating primarily on L2 networks like Optimism for about three years.**

**The Hyper Foundation proposed a validator vote to treat all HYPE tokens in Hyperliquid's**

Assistance Fund as permanently burned, effectively removing them from both circulating and total supply. The move targets ~37 million HYPE tokens, valued at ~\$1 billion, which equates to over 13% of the circulating supply.

## **CBDs & STABLECOINS**



**The FDIC is laying out the formal rulebook for how banks can issue payment stablecoins under the GENIUS Act.** Basically, it's proposing a standardized application and approval process for FDIC-supervised banks that want to issue stablecoins through a subsidiary, including clear timelines, evaluation criteria, and an appeals path if an application is denied. The FDIC has initiated a 60-day public comment period. (See the FDIC's notice, [here](#).)

**JPMorgan forecasted stablecoins to reach a \$500 billion to \$600 billion market as growth stays tied** mainly to crypto trading rather than everyday payments.

**South Korea's Financial Services Commission missed the Dec. 10 deadline for submitting won-pegged stablecoin regulation** as tensions escalate with the Bank of Korea demanding veto power over issuance approvals and requiring bank-led consortia to hold 51%+ stakes in issuing entities.

**Visa launched a global Stablecoins Advisory Practice, a unit that will help banks, merchants, and** fintechs design, roll out, and manage stablecoin products. (Visa is also enabling US banks to settle transactions using Circle's USDC stablecoin over the Solana blockchain, in response to the relaxed regulatory environment.)

**Coinbase announced "Custom Stablecoins," a new service allowing partners to issue their own** branded digital dollars backed by assets like USDC, with projects such as R2, Flipcash, and Solflare planning launches in the coming months.

**PayPal launched the PYUSD Savings Vault on DeFi lending platform Spark protocol to boost** adoption of its dollar-pegged stablecoin.

**SoFi unveiled an Ethereum stablecoin, dubbed SoFiUSD, for trading and payments.**

**Intuit and Circle entered into an agreement for USDC adoption use across TurboTax and** QuickBooks.

**Ripple announced plans to expand its RLUSD stablecoin to L2 networks on Ethereum next year,** including Optimism, Coinbase's Base, Kraken's Ink, and Uniswap's Unichain.

**Urbanspace, the operator behind Union Square Holiday Market, integrated USDC payments into its** mobile application, powered by the Avalanche blockchain.

**Bitget launched a private beta for a new TradFi trading feature that gives crypto users access to** forex, commodities and stock derivatives contracts using stablecoins as collateral.

**Japanese financial conglomerate SBI Holdings and Web3 infrastructure company Startale Group** signed a MoU to develop a fully regulated Japanese yen-denominated stablecoin.

**StraitsX will expand its Singapore dollar and US dollar stablecoins to Solana by early 2026, targeting** payments, DeFi, and AI use cases.

**Lynq, the real-time institutional settlement network, announced that XSY, the issuer of the delta-neutral synthetic dollar UTY (Unity), will begin using Lynq as a collateral management tool across** treasury and operational workflows.

## NFTS, BLOCKCHAIN GAMING & METaverse



**Animated segments from NFT project Pudgy Penguins will air on over the Las Vegas Sphere across** Christmas week.

**Rapper Soulja Boy apologized after blockchain investigator ZachXBT linked him to 73 crypto** promotions and 16 NFT projects later identified as scams.

## JOB MOVEMENT



**The Trump administration launched the “US Tech Force” on Dec. 15 as a two-year program** deploying technology specialists across federal agencies. Coinbase and Robinhood are among nearly 30 private sector partners, including major tech companies like OpenAI, Nvidia, and Microsoft. Participants will earn \$150,000 to \$200,000 annually and can pursue employment with private sector partners after completing government service.

**BlackRock is hiring seven digital asset roles, including one in Singapore, to expand its crypto and** blockchain strategy.

**CFTC acting chair Caroline Pham is set to join crypto payments firm MoonPay as chief legal and** administrative officer, where she would run global legal operations and lead US policy and regulatory strategy.

**Coinbase appointed former British finance minister George Osborne to run its internal advisory** council, as it aims to expand its influence with governments beyond the US.

**Circle signed an agreement to acquire the Interop Labs team and its proprietary technology,** bringing a core contributor to the Axelar Network into its infrastructure business.

# REGULATIONS, RULINGS & COMMENTARY



**President Trump interviewed Christopher Waller, a pro-crypto Fed governor who has publicly pushed for lower interest rates and is now the second-place bet on the Polymarket prediction platform after National Economic Council director Kevin Hassett for the Fed chair position.**

**President Trump expressed openness to nominating Democrat commissioners to vacancies at the SEC and CFTC, potentially aiding the crypto market structure bill.** (The Senate effectively punted the bill to next year as bipartisan talks stalled.) Crypto Czar David Sacks announced “we are closer than ever” to passing crypto market structure legislation, adding: “We look forward to finishing the job in January!”

**President Trump said he will consider a pardon for convicted Samurai Wallet developer Keonne Rodriguez.**

**The SEC published a new investor guide on crypto wallets and custody, explaining the trade-offs** between self-custody and third-party providers while warning about risks like asset rehypothecation, fund mixing, hacking in online wallets, and permanent loss from damaged or stolen offline devices. (See it, [here](#).)

**The SEC issued guidance saying broker-dealers must directly control crypto private keys to meet** customer protection rules, clarifying that holding exclusive access, strong security policies, and contingency plans is required when handling tokenized stocks or bonds.

**The US Senate confirmed Michael Selig as chair of the CFTC, putting a former SEC crypto counsel in** charge as lawmakers move to give the agency a central role in overseeing digital asset markets.

**The Fed withdrew 2023 guidance that had discouraged uninsured banks from crypto activities and** Fed membership, a policy that had previously helped justify rejecting Custodia Bank’s master account application.

**Senator Cynthia Lummis, the most tireless advocate of digital assets, is planning to retire, leaving** her Republican seat in play next year. Lummis said in a statement that she doesn't have another six years in the tank, but she intends to deliver major legislation to President Donald Trump's desk next year.

**US senators Elissa Slotkin and Jerry Moran introduced a bipartisan bill to tighten federal** coordination against crypto-related scams. The Strengthening Agency Frameworks for Enforcement of Cryptocurrency (SAFE Crypto Act) would create a federal task force uniting Treasury, law enforcement, regulators, and private-sector experts to identify, track, and disrupt fraud.

**Representatives Max Miller of Ohio and Steven Horsford of Nevada introduced a discussion draft** that would ease the tax burden on everyday crypto users by exempting small stablecoin transactions from capital gains taxes and offering a new deferral option for staking and mining rewards.

**Democrat senator Elizabeth Warren has asked for another US national security probe into DeFi,** specifically targeting the PancakeSwap decentralized exchange over whether it has amplified cryptos linked to US president Donald Trump's World Liberty Financial.

**The US Financial Stability Oversight Council said in its 2025 report that crypto and stablecoins no longer posed an immediate systemic threat, crediting new federal rules for improving oversight and noting most blockchain activity was legitimate.**

**Custodia Bank has filed a petition for a rehearing en banc before the full Tenth Circuit Court of Appeals, challenging an October ruling that denied the bank access to core central bank payment services. The petition argues that the ruling undermines state banking authority and raises constitutional questions.**

**The SEC has formally closed its four-year investigation into the Aave Protocol and does not plan to recommend enforcement action, according to Aave CEO Stani Kulechov.**

**UK officials are proposing legislation to subject crypto companies to the FCA's oversight, ensuring compliance with transparency, consumer protection, and market conduct standards. The move aims to address fraud risks and integrate crypto activity with mainstream finance, with regulations expected by October 2027.**

**Spain's national securities regulator, the Comisión Nacional del Mercado de Valores (CNMV), published a dedicated Q&A laying out how it intends to apply the EU's Markets in Crypto-Assets Regulation (MiCA) on the ground. The document outlines what crypto companies can expect on authorizations, notifications, day-to-day conduct, and the transitional regime.**

**The South Korean government provided \$15 million in debt relief to 269 individual crypto traders from a fund meant for struggling businesses.**

**Crypto exchange Bybit reentered the UK after two years away, restarting spot trading on 100 crypto pairs by partnering with London-based Archax to comply with the country's strict financial promotion rules.**

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

**The UK Supreme Court rejected a \$12 billion appeal that sought damages from Binance, Kraken, and other crypto exchanges over the delisting of Bitcoin Satoshi Vision (BSV). (BSV Claims Limited first argued back in 2024 that a series of token delisting events cratered BSV's value and stunted its potential growth as a Bitcoin competitor.)**

**The administrator winding down Terraform Labs sued trading firm Jump Trading for \$4 billion, accusing it and two executives of improperly profiting from and contributing to the collapse of Do Kwon's crypto ecosystem.**

**Hackers working for North Korea stole a record \$2 billion worth of cryptocurrency in 2025, according to data from blockchain analysis company Chainalysis.**

**The Security Alliance warned that North Korean hacking groups were running daily crypto scams using fake Zoom calls, often starting from hijacked Telegram accounts and tricking victims into installing malware that has helped steal more than \$300 million in digital assets.**

**The JPEX fraud case in Hong Kong was adjourned until next year to allow prosecutors to organize** case files. Social media influencers face charges related to promoting JPEX and its crypto trading shops. The collapse of JPEX led to 2,700+ victims losing a total of \$206 million.

**The FTC proposed a settlement with Illusory Systems, the operator of the Nomad crypto bridge,** following a 2022 hack that led to the loss of \$186 million in digital assets. The settlement includes requirements for improved security practices and the return of recovered funds to affected users.

**The SEC charged VBit founder Danh Vo with fraud, alleging he raised over \$95 million by falsely** selling Bitcoin mining investments, misused \$48.5 million for personal spending, and misled investors about how many mining machines actually existed.

**Binance warned users to avoid token listing agents and offered as much as \$5 million to** whistleblowers who report listing fraud.

**Decentralized exchange Aevo, formerly Ribbon Finance, suffered a \$2.7 million exploit in its legacy** Ribbon Decentralized Options Vaults.

**A US federal court permitted plaintiffs to amend their class-action lawsuit against Pump.fun and** Solana Labs, incorporating 5,000+ internal chat logs as evidence of alleged MEV manipulation in token launches.

**Do Kwon may still stand trial in South Korea despite receiving a 15-year US sentence, as** prosecutors there pursued separate charges tied to capital markets violations affecting around 200,000 victims and hundreds of millions of dollars in losses.

**Caroline Ellison, the former co-CEO of Alameda Research, is no longer behind bars after being** moved to a halfway house less than halfway into her sentence. (The 31-year-old was given two years in September 2024 for her role in the collapse of FTX and the theft of \$8 billion worth of customer funds.)

**Whistleblower lawsuits filed by former Theta Labs executives in California accuse CEO Mitch Liu of** market manipulation and deception through inflated token prices and undisclosed insider sales.

**MegaETH returned all funds from its pre-deposit bridge incident, a rare clean outcome for a bridge** misfire during early development.

**Ethereum client Prysm explained that the Dec. 4 Fusaka mainnet outage was caused by heavy** computing strain during certain network messages, which led to 41 missed cycles, participation falling to ~75%, and roughly 382 ETH in lost validator rewards before fixes were rolled out.

**Solana said it endured one of the largest denial-of-service attack waves ever recorded but reported** that transactions and onchain activity continued running smoothly without disruption.

**Prediction market platform Polymarket confirmed that a recent Polygon network disruption caused** temporary issues, but these have since been resolved with full restoration of the site and related functions.

## MISCELLANEOUS



**Ethereum core developers named the post-Glamsterdam upgrade “Hegota” during the latest ACDE** call, setting the next milestone in the network's 2026 roadmap under its new twice-yearly release cadence. Hegota combines the execution layer's “Bogota” and the consensus layer's “Heze,” though developers will not choose its headliner EIP until February.

**Rekt Brands celebrated the success of The Rekt Invitational, crypto’s largest ever, live streamed** golf event. Held at Normandy Shores Golf Club in Miami and featuring well-known crypto figures, prominent social media golfers, and major digital creators., the event reached ~20,000 live viewers.

# CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Bitcoin Magazine: Bitcoin Lightning Network capacity makes a new all-time high.



Eric Balchunas: IBIT is the only ETF on the 2025 Flow Leaderboard with a negative return for the year. CT's knee-jerk reaction is to whine about the return, but the real takeaway is that it was 6th place DESPITE the negative return (Boomers putting on a HODL clinic). Even took in more than \$GLD which was up 64%. That's a really good sign long term IMO. If you can do \$25B in bad year imagine the flow potential in good year.

| Ticker   |    | Fund Assets (AUM) (M USD) | YTD Flow ↓    | YTD Return |
|----------|----|---------------------------|---------------|------------|
| Sum      |    | 13,387,071.02             | +1,473,569... | +54158.87% |
| 1) VOO   | US | 834,952.69                | +145,134.50   | +16.53%    |
| 2) IVV   | US | 751,267.09                | +76,061.36    | +16.57%    |
| 3) VTI   | US | 566,632.85                | +37,698.98    | +16.06%    |
| 4) SGOV  | US | 66,594.86                 | +36,715.89    | +4.09%     |
| 5) SPYM  | US | 101,672.52                | +36,429.21    | +16.52%    |
| 6) IBIT  | US | 66,017.36                 | +25,416.40    | -9.59%     |
| 7) QQQ   | US | 402,459.15                | +21,835.11    | +19.59%    |
| 8) GLD   | US | 146,911.18                | +20,784.14    | +64.61%    |
| 9) QQQM  | US | 69,390.39                 | +20,489.86    | +19.66%    |
| 10) BND  | US | 145,044.46                | +19,772.78    | +7.20%     |
| 11) IEMG | US | 116,528.67                | +18,373.08    | +28.97%    |
| 12) VUG  | US | 203,576.28                | +18,186.65    | +17.83%    |
| 13) VXUS | US | 115,224.97                | +17,544.72    | +30.20%    |
| 14) VEA  | US | 189,377.95                | +13,866.14    | +33.02%    |
| 15) DYNF | US | 30,425.75                 | +13,346.78    | +18.72%    |
| 16) IVE  | US | 52,367.16                 | +13,292.83    | +12.57%    |
| 17) IEF  | US | 45,628.27                 | +12,741.50    | +8.37%     |
| 18) IEFA | US | 160,577.44                | +12,257.56    | +30.37%    |
| 19) BNDX | US | 72,790.41                 | +11,978.06    | +2.91%     |
| 20) VTV  | US | 157,231.53                | +11,813.52    | +14.59%    |
| 21) IAU  | US | 68,414.64                 | +10,775.94    | +64.88%    |
| 22) VO   | US | 91,659.01                 | +10,651.87    | +11.79%    |
| 23) AGG  | US | 134,724.98                | +10,597.67    | +7.31%     |
| 24) JEPQ | US | 32,622.40                 | +10,546.77    | +13.66%    |
| 25) OEF  | US | 28,623.06                 | +10,349.20    | +18.16%    |

## Conclusion from Coin Metrics' "State of The Network" weekly report from 12/16/25. (Read the full report, [here.](#))

2025 was a transformative year for the digital assets industry. Institutional adoption deepened as spot ETFs absorbed significant inflows, while digital asset treasuries (DATs) emerged as a major source of demand, adding a new layer of reflexivity. The convergence of crypto and capital markets accelerated as crypto IPOs brought digital asset businesses into the mainstream, widening investment access to the ecosystem. Regulatory progress provided clearer footing. The GENIUS Act established the first federal framework for stablecoins and strengthened the bridge between blockchain and traditional financial rails.

Onchain infrastructure continued to scale beneath the surface. Blockspace expanded across major L1s and L2s, costs compressed, and the size and diversity of onchain economic activity grew. Stablecoin supply approached \$300B, settlement volumes increased across blockchains, and tokenization moved from experimentation to production.

While adoption and price action have diverged as markets grapple with volatility, the year delivered fundamental institutional, regulatory and infrastructure advances that leave us with stronger foundations going into 2026.

## Conclusion from Glassnode's "The Week On-Chain" from 12/17/25. (Read the full report, [here.](#))

The market continues to trade within a fragile, time-sensitive structure, shaped by heavy overhead supply, rising loss realization, and fading demand persistence. Price rejection near \$93k and the subsequent drift toward \$85.6k reflect the dense supply accumulated between \$93k–\$120k, where prior top buyers continue to cap recovery attempts. As long as price remains below the 0.75 quantile (~\$95k) and fails to reclaim the Short-Term Holder Cost Basis at \$101.5k, upside progress is likely to remain constrained.

Despite this pressure, patient demand has so far defended the True Market Mean near \$81.3k, preventing a deeper breakdown. Spot demand remains selective, corporate treasury flows episodic, and futures positioning continues to de-risk rather than rebuild conviction. Options markets reinforce this range-bound regime, with front-end volatility compressing, downside risk remaining priced but stable, and expiry-driven positioning pinning price action into late December.

In sum, Bitcoin remains caught between structural support near \$81k and persistent sell pressure overhead. A meaningful shift will require either seller exhaustion above \$95k or a renewed influx of liquidity capable of absorbing supply and reclaiming key cost-basis levels.

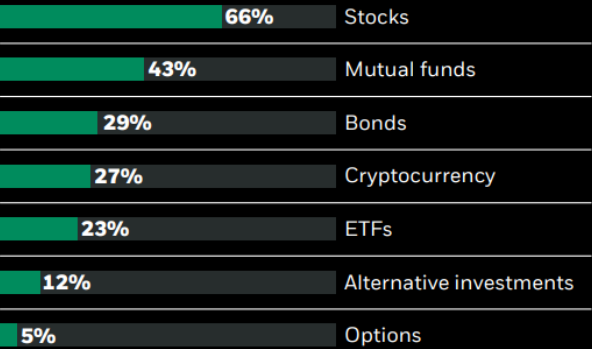
## Blockworks updated key metrics...

|                         |                   |
|-------------------------|-------------------|
| Total Crypto Market Cap | \$3.09 T          |
| Bitcoin Market Cap      | \$1.77 T          |
| Ethereum Market Cap     | \$362.16 B        |
| ETH/BTC Ratio           | 0.03              |
| DeFi TVL                | \$220.29 B        |
| Fear and Greed Index    | 20 (Extreme Fear) |

## The typical U.S. investor holds multiple investment products

U.S. investors have a wide array of choices when selecting what to invest in; over half hold two or more investment products, and nearly one-third hold three or more. This trend suggests investors are actively engaged in building their investments, rather than stopping at a single product. Stocks and mutual funds remain the foundation for most, but investors are increasingly adding other products alongside them.

### The current holdings of U.S. investors



### Younger investors favor ETFs and crypto

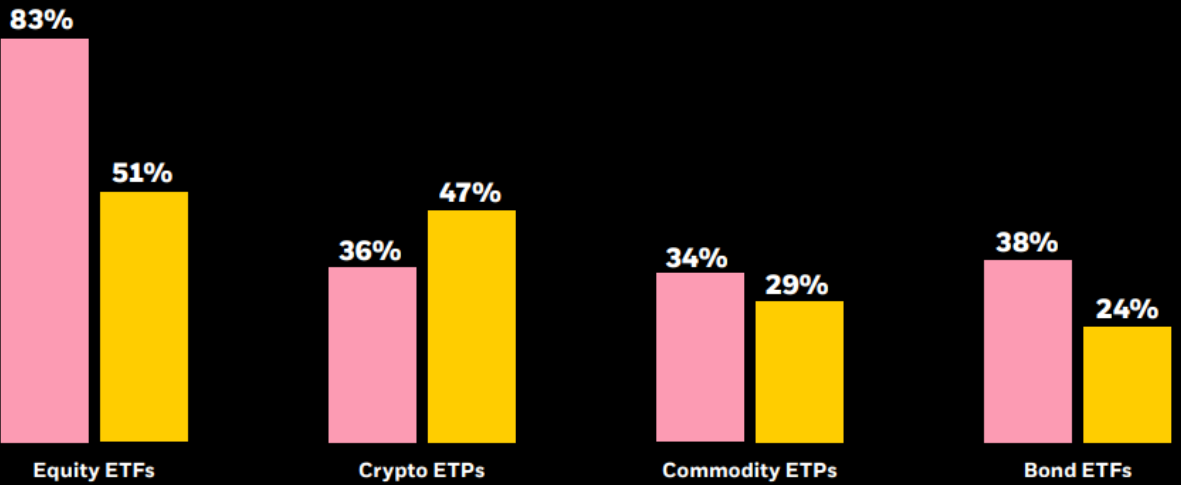
Those aged 18–34 are more likely to hold ETFs than those aged over 35 (28% vs. 20%) – and over twice as likely to hold crypto (45% vs. 21%).

## Equity and crypto will be the most popular asset classes among those intending to invest in ETFs/ETPs in next 12 months

Equity ETFs remain the top choice for both current investors and those planning to enter the ETF market over the next year. Yet newer asset classes are narrowing the gap — more than 47% of first-time ETF investors are expected to allocate to crypto ETPs in the next 12 months, alongside 36% of current ETF investors who plan to do the same.

### ETF/ ETP intention by asset class

- **Current ETF investors:** asset classes they expect to invest in through ETFs over the next year.
- **First-time ETF investors:** asset classes they expect to invest in through ETFs over the next year.



## **Matt Hougan's (Bitwise) Weekly CIO Memo: "Bitwise Predictions for 2026: The Four-Year Cycle Is Dead – Bitwise Will release Its Top 10 Predictions for 2026 on Dec. 16. Here Are the Three That Matter Most for Crypto Investors."**

Bitwise will release its annual "10 Predictions" report on Dec. 16, offering our best guess on the developments that will define 2026. I'm not going to give away everything – there are some fun and surprising ideas in there – but I thought I would give my loyal CIO Memo readers a sneak peak at three particularly important ones.

### Prediction 1: Bitcoin Will Break the Four-Year Cycle and Set New All-time Highs

Bitcoin has historically moved in a four-year cycle, with three significant "up" years followed by a sharp pullback year. According to this cycle, 2026 should be a pullback year.

We don't see that happening.

In our view, the forces that previously drove four-year cycles – the Bitcoin halving, interest rate cycles, and crypto's leverage-fueled booms and busts – are significantly weaker than they've been in past cycles.

- The Halving: By definition, each subsequent Bitcoin halving is half as important as the prior one.
- Interest Rates: Rates rose substantially in 2018 and 2022, hurting prices; in 2026, we expect them to fall.
- Blow-ups: A relative scaling back in leverage (following the October 2025 record-setting liquidations) and improving regulation reduce the probability of major blow-ups.

More importantly, we believe the wave of institutional capital that began entering the space with the approval of spot Bitcoin ETFs in 2024 will accelerate in 2026, as platforms like Morgan Stanley, Wells Fargo, and Merrill Lynch begin allocating. At the same time, we anticipate that crypto will begin to feel the benefits of the pro-crypto regulatory shift that took place after the 2024 election, with Wall Street and fintech companies beginning to adopt crypto in earnest.

We expect the combination of these factors will push Bitcoin to new all-time highs, relegating the four-year cycle to history's dustbin.

### Prediction 2: Bitcoin Will Be Less Volatile Than Nvidia

If you've worked in crypto long enough, you've probably heard someone say, "I could never invest in something as volatile as Bitcoin." We've heard that time and time again. It's one of the most common criticisms from Bitcoin skeptics.

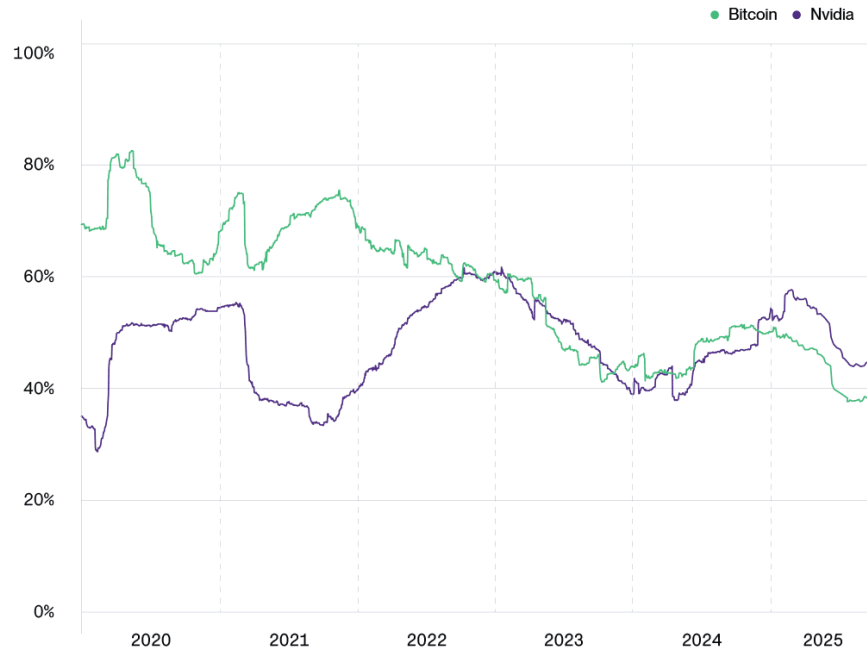
Is Bitcoin volatile? Sure. We wouldn't deny that.

But is Bitcoin more volatile than other assets that investors embrace with open arms? Not lately.

For all of 2025, Bitcoin has been less volatile than one of the most popular stocks on the market: Nvidia. Zoom out further and you'll find that Bitcoin's volatility has steadily declined for the past decade. This shift reflects the fundamental derisking of Bitcoin as an investment and the diversification of its investor base thanks to traditional investment vehicles like ETFs.

We see that trend continuing into 2026.

## Volatility: Bitcoin vs. Nvidia (1-Year Rolling Annualized Volatility)



Source: Bitwise Asset Management with data from Bloomberg. Data from December 31, 2019, to December 5, 2025.

Note: Gold went through a similar transition following the US's abandonment of the gold standard and the subsequent launch of gold ETFs in 2004. We cover the similarity of these trends in depth in our recent paper, "Bitcoin Long-Term Capital Market Assumptions."

### Prediction 3: Bitcoin's Correlation with Stocks Will Fall

A lot of people – particularly those in the media – love to say that Bitcoin is highly correlated with the stock market.

The data suggests otherwise. Using rolling 90-day correlations, Bitcoin's correlation with the S&P 500 has rarely topped 0.50, the usual statistical dividing line between "low" and "medium" correlation.

Regardless, we think Bitcoin's correlation with stocks will be lower in 2026 than it was in 2025. The reason? We expect crypto-specific factors like regulatory progress and institutional adoption to power crypto higher, even as equities struggle with concerns about valuation and short-term economic growth.

### Conclusion

If you put these three predictions together, you end up with the trifecta for investors:

- Strong Returns
- Less Volatility
- Lower Correlations

Sounds pretty good as a portfolio asset, doesn't it? I suspect as these play out, we will see tens of billions of dollars in new investment from institutional investors.

In the end, I think 2026 will be a very good year.

**Bitwise released its "10 Crypto Predictions for 2026." (See below for the short version. View the full 28-page report, [here](#).)**

- 1) Bitcoin will break the four-year cycle and set new all-time highs.
- 2) Bitcoin will be less volatile than Nvidia.
- 3) ETFs will purchase more than 100% of the new supply of Bitcoin, Ethereum, and Solana as institutional demand accelerates.
- 4) Crypto equities will outperform tech equities.
- 5) Polymarket open interest will set a new all-time high, surpassing 2024 election levels.
- 6) Stablecoins will be blamed for destabilizing an emerging market currency.
- 7) Onchain vaults – aka “ETFs 2.0” – will double in AUM.
- 8) Ethereum and Solana will set new all-time highs (if the CLARITY Act passes).
- 9) Half of Ivy League endowments will invest in crypto.
- 10) More than 100 crypto-linked ETFs will launch in the US.

BONUS) Bitcoin’s correlation with stocks will fall.

### **Paul Veradittakit’s (MP – Pantera Capital) Nine Predictions for 2026...**

#### **#1 Real-World Assets (RWA) Takes-Off**

As of December 15, 2025, the amount reached ~14% of TVL at \$16.6 billion out of a DeFi TVL of \$118 billion.

Prediction: Treasuries and private credit could at least double. Tokenized stocks and equities could grow even faster when the anticipated “Innovation Exemption” under the SEC’s “Project Crypto” debuts. One surprise sector (carbon credits, mineral rights, or energy projects) will catch fire. This sector will likely be characterized by fragmented liquidity, global distribution, and a lack of standards, which blockchain-based markets will help resolve.

#### **#2 AI Revolutionizes On-Chain Security**

AI security and blockchain development tools are getting scary good. Real-time fraud detection, 95% accurate transaction Bitcoin labeling, and instant smart-contract debugging are here, detecting millions in blockchain vulnerabilities.

Prediction: In 2026, picture bigger shifts toward on-chain intelligence with deterministic, verifiable rules taking over smart contract-based governance. The application will scan code in near real-time, spot logic bugs and exploits instantly, and give immediate debugging feedback. The next big unicorn will be an innovative onchain security firm that will 100x the safety game.

#### **#3 Prediction Markets Are Acquisition Targets**

With \$28 billion traded in 2025’s first ten months, prediction markets are consolidating around institutional infrastructure. We hit an ATH the week of October 20 at \$2.3 billion.

Prediction: A buyout in the industry of more than \$1 billion, one that will not involve Polymarket or Kalshi. Winning platforms will build under-the-hood liquidity rails with baked-in market-discovery intelligence that points out where money is hiding and why. Forget shiny new buttons. It’s all about effortlessly giving users superpowers: instant access to hidden pools, smarter routing, and predictive

order flow. Sports-focused platforms like DraftKings and FanDuel have gone mainstream, partnering with media for real-time odds distribution. Newer entries like NoVig, focused on sports, will expand their presence vertically, and new startups will emerge in APAC, as that is a region to watch.

#### #4 AI Becomes Your Personal Crypto Co-Pilot

Consumer AI platform usage will surge as systems mature, delivering hyper-personalized experiences that meet tailored expectations. Seamless integration makes advanced AI feel effortless, shifting usage from clunky to instant

Prediction: Platforms like Surf.ai will engage people from crypto-curious individuals to active traders in 2026 via intuitive advanced AI models, proprietary crypto datasets, and multi-step workflow agents. I believe that sophisticated technology and accessible design positions Surf as the go-to crypto research tool, delivering instant, on-chain-backed market insights 4× faster than generic options with other platforms of this type also emerging.

#### #5 Bank Titans Gear Up: G7-Pegged Stablecoin Looms

Ten major banks are in the early stages of exploring a consortium stablecoin issuance pegged to G7 currencies. The financial institutions are determining whether an industry-wide stablecoin would likely provide people and institutions with the benefits of digital currencies in compliant, risk-managed ways. Meanwhile, a group of ten European banks are investigating the issuance of a euro-pegged stablecoin.

Prediction: A consortium of major banks will release their own stablecoin (whether these pilot projects come to fruition in 2026 or a different consortium does).

#### #6 Privacy, Payments, Perpetuals: The Institutional Trio

Privacy tech is booming in institutional usage with the transparency-secrecy combination of Zama, Canton, and other protocols although retail usage isn't finding traction or scalability. Stablecoins sit at \$310 billion today, more than doubling market cap since 2023, expanding for 25 months in a row. Perpetual swap contracts already make up ~78% of crypto derivative volume, and the gap keeps growing between perps and spot options.

Prediction: For privacy, the gap between institutional and retail will widen in 2026. Stablecoins will have a path to \$2 trillion+ long-term, hitting at least \$500 billion next year, and the momentum for perpetuals will continue in 2026.

#### #7 The Institutional Macro View

As of December 15, 17.867% of BTC holdings now rest in the hands of publicly traded and private companies, ETFs, and countries.

Prediction: 2026 won't be about hype or memes. It will be about consolidation, real compliance, and institutional money being driven by public market liquidity. Crypto will integrate in mainstream platforms, upgrade financial rails, and challenge current incumbents.

#### #8 The Biggest Crypto IPO Year Ever

2025 already had 335 US IPOs, overall, an increase of 55% from 2024; many of those were crypto-friendly, including nine blockchain IPOs. This includes crypto-native ones like Circle Internet Group with a launch date of May 27, 2025 and crypto-inclusive ones like SPACS; Bitcoin Infrastructure Acquisition Corp, for example, launched on December 2, 2025.

Prediction: 2026 will be an even bigger year for digital asset public listings. Coinbase says that 76% of companies plan to add tokenized assets in 2026 with some eyeing 5%+ of their entire portfolio. Morpho serves as an example protocol with its \$8.6 billion TVL in November 2025.

#### #9 Digital Asset Treasury Consolidation Accelerates

Back in 2021, fewer than ten public companies owned Bitcoin. Fast-forwarding to mid-December, 151 public companies own \$95 billion with the number rising to 164 and \$148 billion when including governments.

Predictions: 2026 will see brutal pruning. In each major asset class, only one or two players will dominate. Everyone else gets acquired or left behind except for a longer-tail token winner going along for the ride. It's going global, too. Japan's Metaplanet is already aggressive, so the US no longer owns the trend as the global treasury landscape diversifies.

## Highlights from Pantera Capital's Blockchain Letter...

### THE YEAR OF STRUCTURAL PROGRESS – By Erik Lowe, Head of Content

Given the level of excitement heading into 2025 – finally a pro-crypto administration, Gary Gensler's resignation, potential rate cuts – Bitcoin being up 25% since the presidential election might feel underwhelming. [Kalshi odds for Bitcoin hitting \$150k in 2025 reached 53% in mid-July]

It's a bit reminiscent of Peter Thiel's famous line: "They promised us flying cars, and all we got was 140 characters."

While prices may have fallen short of expectations, this year delivered more structural progress than any in crypto's history.

Setting price aside for a moment, here's what we actually got:

- A pro-crypto Administration
- A White House AI & Crypto Czar and a working group focused on digital asset markets
- Gary Gensler's resignation
- A pro-crypto SEC Chair, Paul Atkins
- SAB 121 rescinded – removed barriers for financial institutions to offer crypto custody services
- The establishment of a US strategic Bitcoin reserve and digital asset stockpile
- Major crypto lawsuits dropped by the SEC
- Coinbase added to the S&P 500 – the first crypto-native company ever to be included
- Robinhood launching tokenized stocks
- Stablecoin legislation signed into law
- Market structure legislation passed through the House
- Solana and XRP ETFs
- Nine blockchain company IPOs
- Vanguard's ban on crypto ETFs reversed, opening access for 50mm clients and \$11tn in assets
- SEC Chair Paul Atkins announced plans for an "innovation exemption" for crypto products
- 235% increase in Real-World Asset ("RWA") value onchain
- \$100 billion increase in stablecoins

From that perspective, we believe there hasn't been a more important year for the industry than 2025. This is the year we began laying the deep caissons to support durable, long-term growth.

### CRYPTO REGULATORY AND POLICY UPDATES – By Katrina Paglia, Chief Legal Officer and Andrew Harris, Platform Manager

As we have done in prior years, we want to provide a year-end update on key policy and regulatory developments in the crypto asset space in 2025 – a year of profound change for US crypto regulation. There has been a near-total reversal on US crypto policy and regulation under the Trump administration. A new, crypto-positive path is evident at regulatory agencies such as the SEC and the CFTC, and in the actions of the Executive branch. Below, we examine major executive, regulatory, and legislative actions that have shaped the policy environment in 2025.

## The President's Working Group on Digital Assets

Within days of taking office, President Trump signed an executive order to “establish regulatory clarity” for crypto assets. It established a “Presidential Working Group on Digital Asset Markets,” chaired by AI & Crypto Czar David Sacks and consisting of the Secretary of the Treasury, the Chairman of the SEC, the Chairman of the CFTC, and other heads of agencies and departments.

The Working Group was tasked with reviewing existing regulations and recommending changes to regulation to promote crypto assets. In July, the Working Group released a comprehensive report titled “Strengthening American Leadership in Digital Financial Technology.” The report recommended 100 policy and legislative measures on digital asset market structure, banking and digital assets, stablecoins and payments, countering illicit finance, and taxation. Among other things, the report distinguished between digital assets that are securities (regulated by the SEC) and digital assets that are non-securities (regulated by the CFTC). This marks a significant shift from the Biden-era SEC, which saw most crypto assets as securities.

## The SEC, the Crypto Task Force, and Project Crypto

Within days of President Trump taking office, then-acting SEC Chair Mark Uyeda created a “Crypto Task Force” within the Commission, aimed at “developing a comprehensive and clear regulatory framework” for crypto assets. The Crypto Task Force is led by Commissioner Hester Peirce and seeks to create a “sensible regulatory path,” unlike the earlier SEC approach perceived to be driven primarily by enforcement actions.

In August, SEC Chair Paul Atkins delivered a landmark speech, declaring that most crypto assets are not securities and announcing an initiative called “Project Crypto”. Chair Atkins outlined five major elements of Project Crypto:

- Establishing a clear regulatory framework for crypto asset distributions in the US.
- Ensuring freedom of choice among crypto trading venues and crypto custodians.
- Embracing market competition and facilitating “super-apps”, through which platforms and intermediaries can offer a range of crypto services and assets – including both securities and non-securities – under a single, efficient licensing structure.
- Supporting on-chain innovation and DeFi.
- Innovation exemptions and commercial viability.

## ICOs, Security Status, and Crypto Asset Distributions: The End of the Tunnel?

The single greatest area of regulatory risk for US crypto asset market participants has often been around whether a crypto asset is a security, or is offered to US investors through a securities transaction. The prior administration, and the SEC under former Chair Gensler, viewed most crypto assets as securities and pursued what many considered to be a “regulation by enforcement” strategy against crypto asset issuers and other market participants. That regulatory approach saw many crypto asset issuers move offshore, offering their assets through foundations in the Cayman Islands, Panama, or other jurisdictions. Many crypto exchanges screened US users, and many crypto firms limited or eliminated US engagement altogether.

The SEC under Chair Atkins has taken a very different approach. The current SEC has withdrawn a number of cases against crypto platforms and issuers and has outlined a new, less restrictive taxonomy, which divides crypto assets into four categories:

- Digital Commodities whose value is tied to a functional, decentralized protocol, and not to managerial promises or the issuer's ongoing efforts.
- Digital Collectibles or tokens designed to be collected, such as NFTs.
- Digital Tools which have practical uses, such as access rights, credentials, or identity features.
- Tokenized Securities representing traditional securities or financial instruments (e.g., equity or debt), which continue to remain subject to the securities laws.

Even before the SEC Chair announced this four-fold classification, SEC staff had begun to signal this approach through no action letters and statements. Over 2025, the SEC's staff issued guidance stating that US fiat stablecoins and memecoins were not securities and that protocol staking and liquid staking did not result in the creation of securities.

There is good reason to believe that 2026 will continue to see the SEC take a less restrictive approach to crypto regulation and establish the elements of a regulatory framework for the onshore issuance of network tokens and other crypto assets.

### The Unpredictable Rise of Prediction Markets

2025 also saw the rise and growing regulatory acceptance of prediction markets – platforms that allow users to express views on real-world outcomes through event-based contracts. These contracts pay the winner the entirety of their value and pay the loser nothing. A key inflection point came when Kalshi, one of the first prediction markets in operation in the US, prevailed in its regulatory battle against the CFTC and was permitted to operate as a CFTC-regulated Designated Contract Market offering contracts tied to elections and other events.

Since Kalshi's win, interest in prediction markets has accelerated, with additional platforms receiving federal approval and traditional financial and consumer platforms moving into the space (e.g., Robinhood). While regulatory treatment remains uneven – particularly under certain state gambling laws – prediction markets are increasingly viewed as a legitimate financial primitive. Of particular note, several platforms are exploring tokenized or crypto-based implementations, further converging prediction markets with digital asset infrastructure. Coinbase's announced partnership with Kalshi underscores a trend that may well continue to gather steam into 2026.

### Notable Litigation Updates

Withdrawal of Coinbase and Other Crypto-Related Litigation – In 2023, the SEC launched a major lawsuit against Coinbase in the Southern District of New York, and against Binance in the District of Columbia, on a number of claims, including for operating as unregistered broker-dealers, exchanges, and clearing agencies, as well as for unregistered offerings of securities through their respective staking services. In the first quarter of 2025, the SEC entered into a joint stipulation with each of Coinbase and Binance to drop all claims against each of them. (Pantera had predicted this development in our previous annual update.)

The Commission also dismissed ongoing enforcement actions against other crypto market participants including Kraken, Consensus, Ripple, and DRW Cumberland. The SEC noted that its dismissal of these pending enforcement actions was part of the Commission's ongoing efforts to reform its regulatory approach to the crypto industry, not based on any assessment of the merits of the claims.

The SEC's New Cyber and Emerging Technologies Unit – The SEC's reformed approach to crypto-related enforcement is also evident from its formation of a new Cyber and Emerging Technologies

Unit, which replaces the Commission's Crypto Assets and Cyber Unit, which led several enforcement actions against prominent crypto market participants. The new Cyber and Emerging Technologies Unit is expected to focus on fraud and other misconduct, including blockchain-related fraud, and fraud committed using emerging technologies, such as artificial intelligence and machine learning.

#### Outlook: Consolidating Crypto Gains under the Trump Administration

While the shift in the crypto policy environment is real and clear, there are still a number of regulatory and legislative developments that merit close observation as we head into 2026. We identify some key areas below:

The GENIUS Act – No discussion of 2025 can be complete without a mention of the Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act – the first significant piece of federal crypto legislation. Passed with bipartisan support, the Act establishes a regulatory framework for “payment stablecoins.”

Under the Act, payment stablecoin issuers will generally be limited to: (1) certain US qualified persons subject to federal or, for certain issuers, state supervision; or (2) certain non-US qualified persons registered with the OCC and subject to a comparable regulatory and supervisory regime (as determined by the Treasury Secretary). The Act imposes licensing requirements on issuers and subjects them to bank-like prudential regulatory and consumer protection standards designed to promote transparency into reserve assets and mitigate perceived risks. Payment stablecoins will not include “algorithmic” stablecoins, and payment stablecoin issuers will be prohibited from paying interest to stablecoin holders. The solicitation of comments under the Act has begun, and aspects such as the prohibition on interest payments by issuers will likely be strongly contested.

Comprehensive Crypto Legislation – Unlike the GENIUS Act, comprehensive crypto market structure legislation continues to work its way through Congress in fits and starts. The Digital Asset Market Clarity Act of 2025, commonly called the CLARITY Act, passed the House with strong bipartisan support in July 2025 but is yet to make progress in the Senate. The CLARITY Act would, among other things, split jurisdiction between the CFTC, regulating “digital commodities,” and the SEC, regulating “restricted digital assets.” The bill also creates a provisional registration pathway until the SEC and the CFTC have finalized rules and provides that assets may transition from security to digital commodity status once a network is decentralized. While some momentum has been lost following the government shutdown, hopes remain high that we could still see comprehensive crypto legislation in 2026.

RWAs, Tokenization and New Frontiers – The tokenization of “real-world assets” also continued in 2025. Unlike “native crypto” assets, the tokenization of RWAs involves placing existing traditional assets on the blockchain, sometimes fractionalizing them in the process. Tokenization has involved assets as diverse as precious metals or other commodities, Treasuries, or private fund interests but a new frontier was reached when NASDAQ recently submitted a proposal to the SEC, asking that investors be permitted to trade existing equity securities in tokenized form. The proposal has attracted significant comment, and the SEC has already signaled its willingness to consider requests to trade existing traditional public securities in tokenized form.

## Arca: AAVE and the Token vs. Equity Corporate Governance Debate...

### What exactly do crypto investors want to see?

The digital assets market struggled again last week, though to a lesser extent than in recent weeks. The most interesting fact about the continued weakness in crypto is that all of the supposed reasons for the decline have reversed, except price. Over the past 8 weeks, numerous fears and ex post explanations have been advanced regarding the cause of the market weakness. These include:

- A decline in rate cut expectations via a more hawkish Fed
- An expectation of tariffs being rolled back or more tariff headlines from Trump
- The repo and credit markets are showing signs of stress
- The TGA and QT were draining liquidity
- Strategy (MSTR) and DATs were going to be forced sellers of BTC and ETH
- Crypto winter is coming, and exchange volumes are going to fall off a cliff
- The Market Clarity bill was going to be delayed further in Washington
- ETF flows are decisively negative, and OG whales keep selling

Over the past few weeks, all of these concerns have dissipated.

- The Fed cut rates again in December, and a more dovish Fed Chair will soon be announced, and at least 50 bps more cuts are baked into 2026
- Tariffs aren't being rolled back
- Repo and credit are back to functioning perfectly fine, and credit spreads are back to the tight, while the VIX is also back to the recent lows
- TGA has been restored, and the Fed is now starting some version of QE while QT is ending
- MSTR and the DATs are not forced sellers (in fact, quite the opposite, as MSTR and BMNR were both big buyers the last few weeks)
- Crypto exchange volumes are showing remarkable resilience, with volumes still elevated
- The Clarity Act is moving along very quickly now, with many signs pointing to a quick resolution here
- ETF inflows have returned, and many whales are starting to accumulate

And for an added bonus, there have been even more crypto specific positive news headlines, including the OCC confirming that US banks may act as “riskless” principal intermediaries in crypto transactions, DTC announcing a real-world asset tokenization initiative, Jamie Dimon of JP Morgan and Larry Fink of Blackrock continuing to sound the horn about the growth of tokenization, and the SEC preaching an ambitious agenda as it pertains to blockchain growth. Additionally, this past Friday, the OCC granted conditional approval for national trust charter applications to five companies, which would allow the companies to manage and hold assets on behalf of customers and to settle payments more quickly.

I'm not saying crypto will, or should, rally, but I'm definitely saying that the reason for the market decline has nothing to do with any of the above factors. And all of those who were definitively saying these were the reasons are just plain wrong.

However, the fact remains that crypto prices are still performing poorly. Which means we are still searching for a better answer as to why. The most plausible explanation is that the industry faces a valuation issue, a structural issue, or a misinformation problem.

From a misinformation standpoint, the disconnect between Bitcoin as an investment and blockchain as a growth engine persists. The growth of stablecoins, real-world asset tokenization (RWAs), and DeFi (spot, derivs, and lending) has become undeniable. These sectors are not just growing; they are exploding higher. Every graph showing usage, AUM/TVL, or revenues is up and to the right. But here's the disconnect. The majority of conversations about crypto happening on Wall Street and in FinTech are squarely focused on utilizing stablecoins and RWA (i.e. issuance and fee capture), not investing in it. Meanwhile, the majority of actual investment discussions still center around Bitcoin. These big banks and investors are not asking about which tokens have value. No Wall Street firms are writing research about tokens. No Wall Street salesmen are pitching token investments. For whatever reason, the majority of new investors seem to think they can capture this growth solely by investing in Bitcoin, while simultaneously building on DeFi, stablecoins, and RWAs, even though there is no overlap whatsoever between these instruments. Bitcoin is largely decoupled from broader growth in the blockchain ecosystem, yet it still dominates both investment flows and price action. I'm not sure what changes that.

From a valuation and structure perspective, it may be much deeper. We've long been in the camp that most investors put equities on too high a pedestal compared to tokens, but that narrative persists. The majority of TradFi investors don't believe in token rights and value capture, and even crypto-native investors are starting to turn against token structures. When people blindly attack the lack of "token holder protections" as if stockholders have so much better protections, I often remind them that stockholders are also completely at the mercy of management decisions. The structure of the investment rarely matters compared to the management team's decisions. Companies can stop stock buybacks or dividends at any time, just as token issuers can start or stop buybacks. Companies can make poor capital allocation decisions by making bad acquisitions, spending too much on R&D, or paying employees too much, just as token issuers can. Not to mention that the only time you have a claim on assets as a shareholder is when they go bankrupt, at which time your claim is almost always \$0.

Whether you own a stock or a token, you are often betting on growth and management capital allocation decisions. I recently debated Gabriel Shapiro of MetaLex on this very topic.

In fact, if crypto investors had more knowledge about the history of capital markets, they'd probably realize "rug pulls" happen all the time in stocks, bonds, and real estate too. They just don't have a collection of retail investors on crypto Twitter complaining about it constantly, because it mostly happens to institutional investors, not retail. WeWork equity investors, Hovnanian debt investors, and Harrahs/Caesars holdco debt investors are examples in which equity or debt holders were seriously harmed by management decisions and by investors from other parts of the company's capital stack. All of the magic "protections" that come with equity, debt, and real estate investing often become more show than substance as lawyers and distressed investors constantly find loopholes.

ALL investing comes with risks. The instrument (tokens versus stocks) is rarely the problem. The issue is that there are higher barriers to entry in other asset classes before you can issue these instruments to uninformed investors.

The majority of your gains or losses in any instrument will likely come at the mercy of management's decisions on how they run their business and how they allocate their capital. Not from laws or "protections."

As such, we've argued that many tokens appear substantially cheaper than the stocks of similar companies. That said, it's not all rosy in token land either, as the following debacle with Aave demonstrates.

**Grayscale Research published “2026 Digital Asset Outlook: Dawn of the Institutional Era.”**  
(See key takeaways below. Read the in-depth piece, [here](#).)

- We expect 2026 to accelerate structural shifts in digital asset investing, which have been underpinned by two major themes: macro demand for alternative stores of value and improved regulatory clarity. Together, these trends should bring in new capital, broaden adoption (especially among advised wealth and institutional investors), and bridge public blockchains more fully into mainstream financial infrastructure.
- As a result, we expect rising valuations in 2026 and the end of the so-called “four-year cycle,” or the theory that crypto market direction follows a recurring four-year pattern. Bitcoin’s price will likely reach a new all-time high in the first half of the year, in our view.
- Grayscale expects bipartisan crypto market structure legislation to become US law in 2026. This will bring deeper integration between public blockchains and traditional finance, facilitate regulated trading of digital asset securities, and potentially allow for on-chain issuance by both startups and mature firms.
- The outlook for fiat currencies is increasingly uncertain; in contrast, we can be highly confident that the 20 millionth Bitcoin will be mined in March 2026. Digital money systems like Bitcoin and Ethereum that offer transparent, programmatic, and ultimately scarce supply will be in rising demand, in our view, due to rising fiat currency risks.
- We expect more crypto assets to be available through exchange-traded products in 2026. These vehicles have had a successful start, but many platforms are still conducting due diligence and working to incorporate crypto into their asset-allocation process. As this process matures, look for more slow-moving institutional capital to arrive throughout 2026.
- We also outline our Top 10 Crypto Investing Themes for 2026, reflecting the breadth of use cases emerging across public blockchain technology. In each case we include the relevant crypto assets associated with each theme. They are:
  - Dollar Debasement Risk Drives Demand for Monetary Alternatives
  - Regulatory Clarity Supporting Adoption of Digital Assets
  - Reach of Stablecoins to Grow in Wake of GENIUS Act
  - Asset Tokenization at Inflection Point
  - Privacy Solutions Needed as Blockchain Tech Goes Mainstream
  - AI Centralization Calls for Blockchain Solutions
  - DeFi Accelerates, Led by Lending
  - Mainstream Adoption Will Demand Next-Generation Infrastructure
  - A Focus on Sustainable Revenue
  - Investors Seek Out Staking by Default
- Finally, two topics that we do not expect to influence crypto markets in 2026:
  - Quantum computing: We believe that research and preparedness will continue on post-quantum cryptography, but this issue is unlikely to affect valuations in the next year.
  - Digital asset treasuries: Despite their media attention, we believe that DATs will not be a major swing factor for digital asset markets in 2026.

CoinDesk Research published its “State of the Blockchain – 2025” report. (Read it, [here.](#))



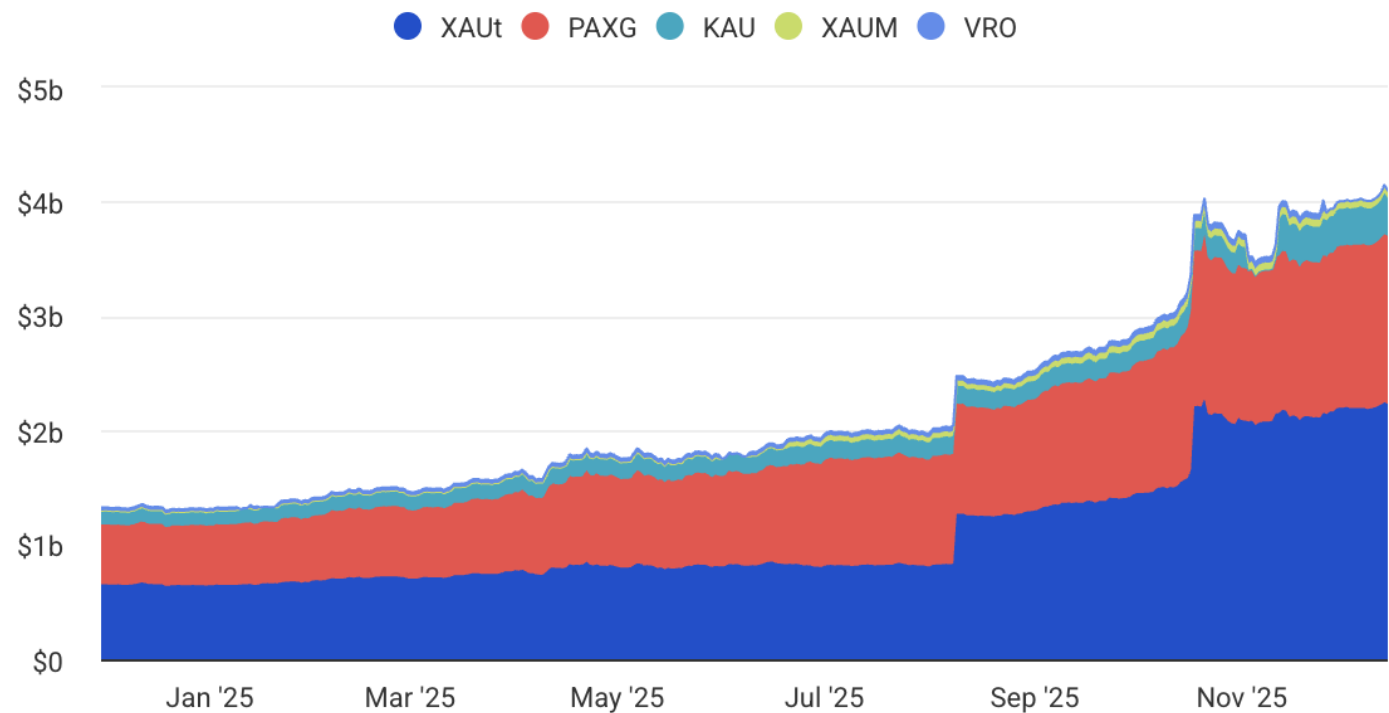
CoinDesk Data published its “Exchange Review – November 2025” report. (See key findings below. Download the full report, [here.](#))

- Trading Activity Falls to Lowest Level Since June: Combined spot and derivatives volumes experienced their largest month-on-month decline since April 2024, plummeting 24.7% to \$7.74T. Spot trading volumes decreased 21.1% to \$2.13T, while derivatives volumes fell 26.0% to \$5.61T. This marks the lowest monthly volume for both the spot and derivatives markets since June.
- Binance Derivatives Market Share Falls to Lowest Level Since 2020: In November, derivatives trading volume on Binance dropped 27.4% to \$1.98T, the exchange's largest monthly decline since April 2024. Binance's market share slid to 35.3%, a low not seen since February 2020, representing a 4.06% decline year-to-date.
- Derivatives Open Interest Sinks 20.3%: In November, open interest on derivatives exchanges fell 20.3% to \$126B. CME, Binance and Bybit were the top three exchanges by open interest, accounting for 21.0%, 20.8% and 10.8%, respectively. BitMEX and Gate rounded out the top five with 10.8% and 10.2%, respectively.
- CME Volume and Open Interest Declines as Speculation Cools: Institutional speculation also slowed, with total derivatives volume on the CME falling 28.2% to \$250B, the lowest monthly figure since June. Total open interest on the exchange dropped 28.7% to \$26.5B. Despite the decline, CME continues to lead derivatives exchanges in open interest, maintaining a 21.0% market share.
- ZEC Enters Top 5 Spot Assets: BTC and ETH maintained their dominance on centralized exchanges in November, with spot trading volumes of \$708B and \$392B respectively. XRP climbed to become the third most traded spot asset with \$99.9B in volume, narrowly edging past SOL's \$97.1B. Meanwhile, ZEC surged into the fifth position with \$39.6B in trading volume, overtaking DOGE.

The Block Pro Research: Gold Bugs Coming Onchain – Gold-backed stablecoins have risen to over \$4 billion in market capitalization, nearly tripling from ~\$1.3 billion at the start of 2025. This growth reflects both the strong performance of gold itself and the increasing appetite among crypto investors for tokenized precious metals exposure.



## Total Gold-backed Stablecoin Market Cap



SOURCE: COINGECKO  
UPDATED: DEC 15, 2025

ZOOM ALL YTD 12M 3M 1M