



The Digital Asset Conference

Digital Asset Report: Institutional Perspective

Q4-2025

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About

Fasanara Digital

Founded in 2011, Fasanara is a global asset manager overseeing \$5.5 billion in assets under management. In 2018, we established Fasanara Digital, becoming one of the first institutional market-neutral funds focused on digital assets worldwide.

Currently managing \$500 million, Fasanara Digital is one of the most active market participants in the space, leveraging our superior infrastructure and innovative strategies to provide liquidity and drive growth in the digital asset market.

Glassnode

Glassnode is the leading market intelligence provider in the digital asset space, primarily focused on institutions. Glassnode's platform delivers unparalleled data, analytics, and research into Bitcoin, Ethereum, and selected major digital assets.

Founded in 2017, Glassnode equips institutional investors, hedge funds, banks, and asset managers with near real-time, data-driven intelligence, enabling informed decision-making in a highly dynamic trading environment.

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Major Asset Dominance

The launch of Spot ETFs has unlocked a new wave of institutional capital, concentrating in the major assets.

Looking back over the strong recovery of the digital asset market following the major collapse events of Luna, Celsius, and FTX, the ecosystem has demonstrated a remarkably constructive and spot-driven growth phase, particularly for Bitcoin.

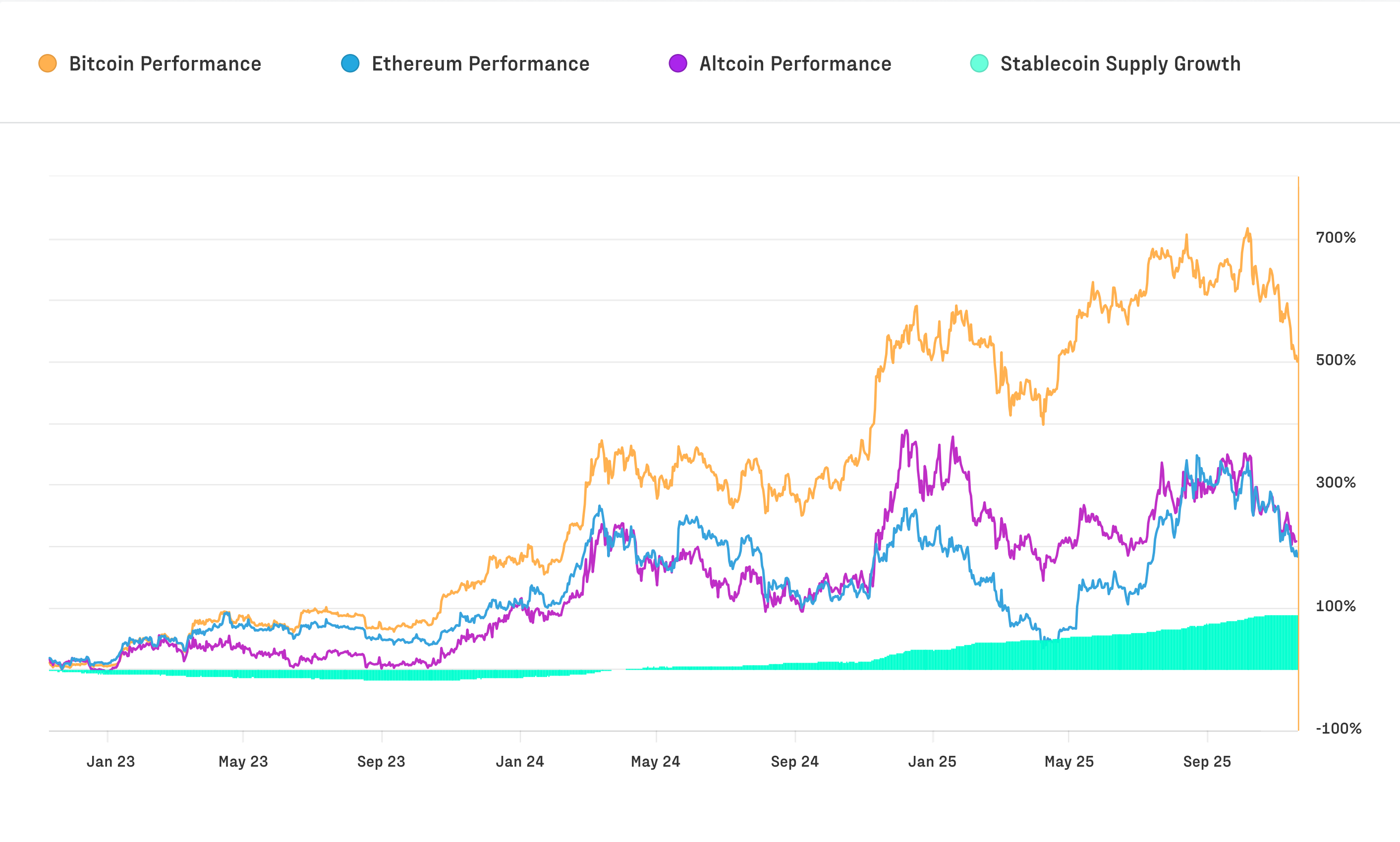
This expansion has been further reinforced by a surge in institutional participation following the launch of regulated spot ETF instruments. Since the November 2022 cycle low, Bitcoin has completed three major rallies, with the latest advance pushing the asset to a new all-time high, reflecting a +715% performance and bringing its market capitalization to \$2.48 trillion.

Ethereum and the broader Altcoin sector also experienced significant appreciation, peaking at over +350% gains. However, unlike the 2020–2021 cycle, this phase has been characterized by persistent underperformance of altcoins relative to Bitcoin. The absence of a distinctive “Altcoin Season” highlights a structural shift in market behavior, where liquidity has instead concentrated within larger-cap assets and highly speculative meme coins.

Meanwhile, the Stablecoin market capitalization has expanded by 89% since November 2022, reaching \$264 billion, signaling a growing dollarization of the crypto economy.

Market: Major Asset Dominance Performance Since Nov-2022

Data Source: Glassnode



Relative Major Asset Dominance

Bitcoin is nearing 60% dominance, marking a shift back to high-liquidity majors, while Altcoins retreat and Stablecoins gain mass adoption.

Since November 2022, Bitcoin’s relative dominance has steadily climbed from 38.7% to 58.3%, underscoring a pronounced shift in market preference toward higher-liquidity and lower-risk assets. Capital continues to consolidate toward the left side of the risk curve, where Bitcoin’s depth, transparency, and institutional acceptance remain unmatched.

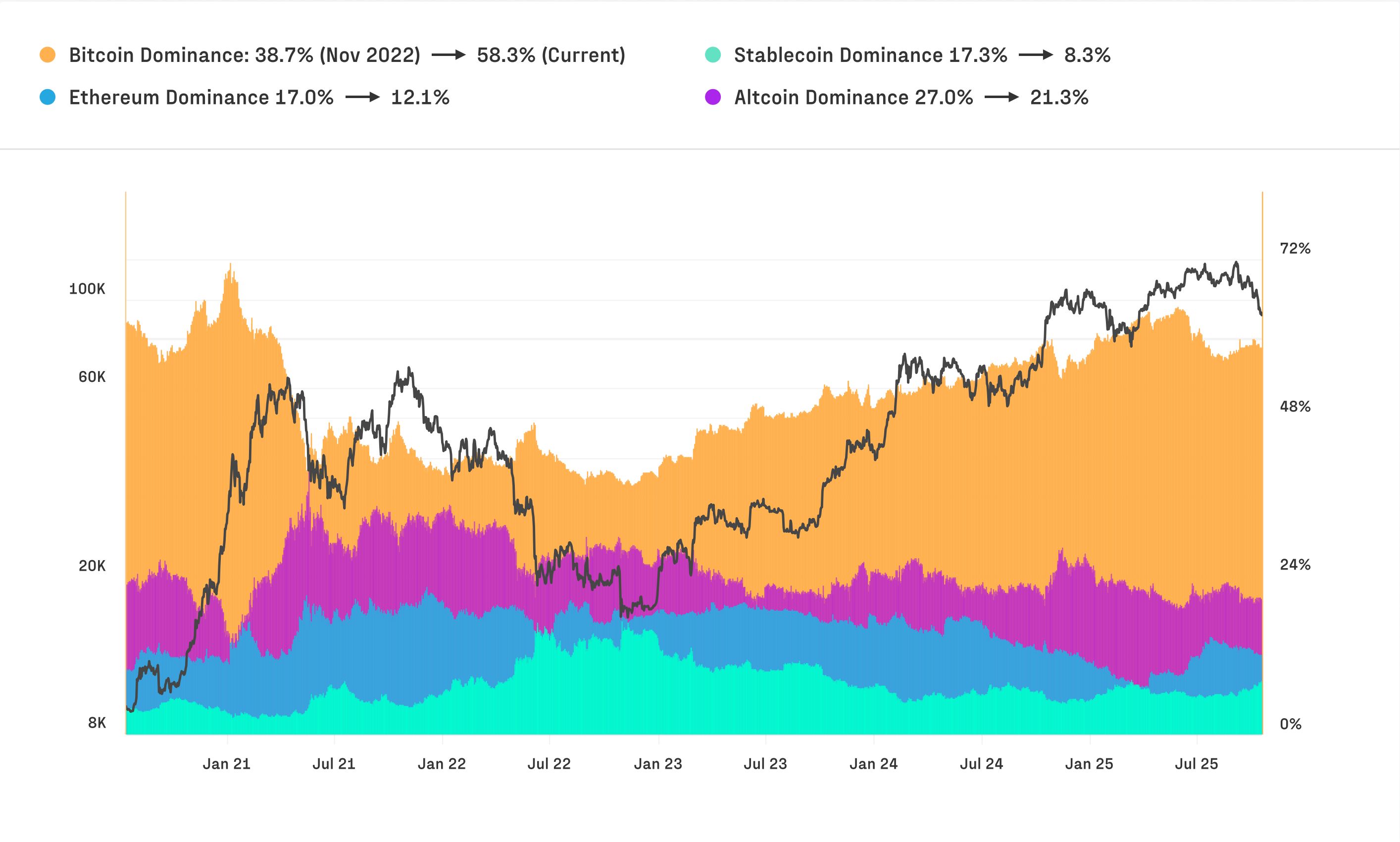
Ethereum’s dominance has declined to 12.1%, extending its multi-year trend of underperformance relative to Bitcoin since the Merge in 2022. Similarly, the Altcoin sector, now representing 21.3% of the total market, has continued to lose share, reflecting subdued retail engagement and a limited influx of speculative capital compared to prior cycles.

Meanwhile, Stablecoins account for 8.3% of the total digital asset market, up slightly from last year but well below the 17.3% peak set in late 2022.

Stablecoins remain the dominant quote currency on both centralized and decentralized exchanges, and their rising adoption—particularly in emerging markets—highlights their growing role in facilitating liquidity and dollar-denominated trade.

Market: Major Asset Dominance

Data Source: Glassnode



Capital Rotation

Bitcoin absorbed up to \$190B per month in fresh capital while Ethereum saw only a few minor rotations; A cycle defined by concentration, not dispersion.

Digital assets tend to exhibit cyclical capital flows, where liquidity transitions between major assets and higher-risk sectors over time. These internal rotations can be tracked through on-chain data, particularly by observing the 30-day change in capital flows into Bitcoin, Ethereum, and the aggregate Stablecoin supply.

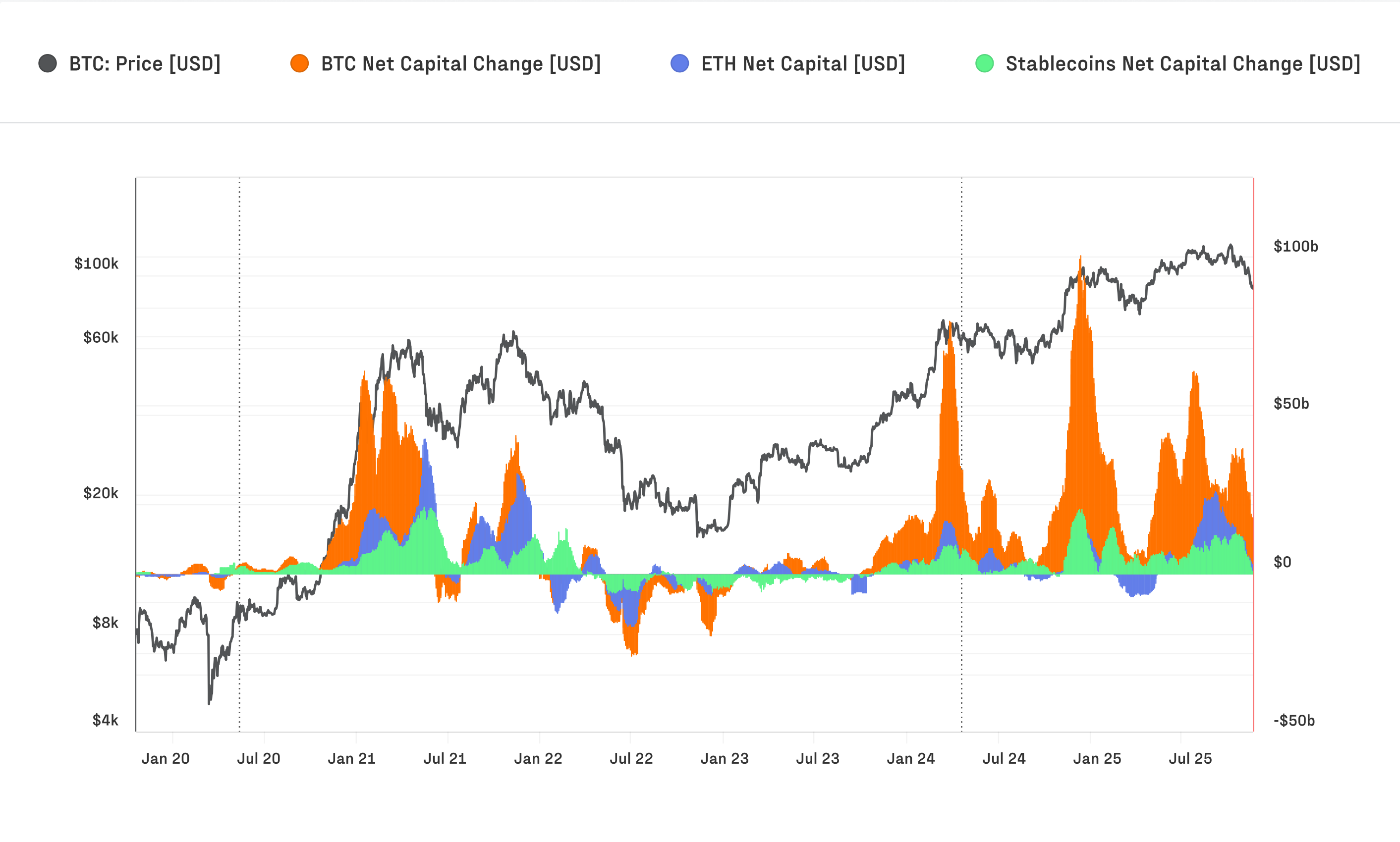
Unlike prior cycles, where capital typically first accumulated within Bitcoin and Ethereum before redistributing further along the risk curve, this cycle has displayed a notably different structure. Bitcoin experienced multiple waves of capital inflow, ranging between \$40B and \$190B per month,

whereas Ethereum saw only a brief and modest rotation alongside Bitcoin during Q3 2025.

The growing share of paper USD trade volume on regulated platforms—such as ETFs and retail brokers like Robinhood—combined with the absence of a speculative Altcoin season, has resulted in a smaller degree of Stablecoin expansion compared to the 2020–2021 period. This highlights a more institutionally anchored and structurally mature market environment.

Market: Market Realized Value Net Capital Change Breakdown

Data Source: Glassnode



Realized Cap

Capital inflows peaking at \$100B/month lifted Bitcoin’s realized cap to \$1.1T; a historic accumulation phase turned milestone.

The Realized Cap serves as a foundational valuation metric, representing the cumulative net capital inflows and outflows across the Bitcoin network. Unlike market capitalization, which prices all coins at the most recent market price, the Realized Cap values each coin based on its last on-chain transaction price, providing a more accurate measure of actual capital deployment within the asset.

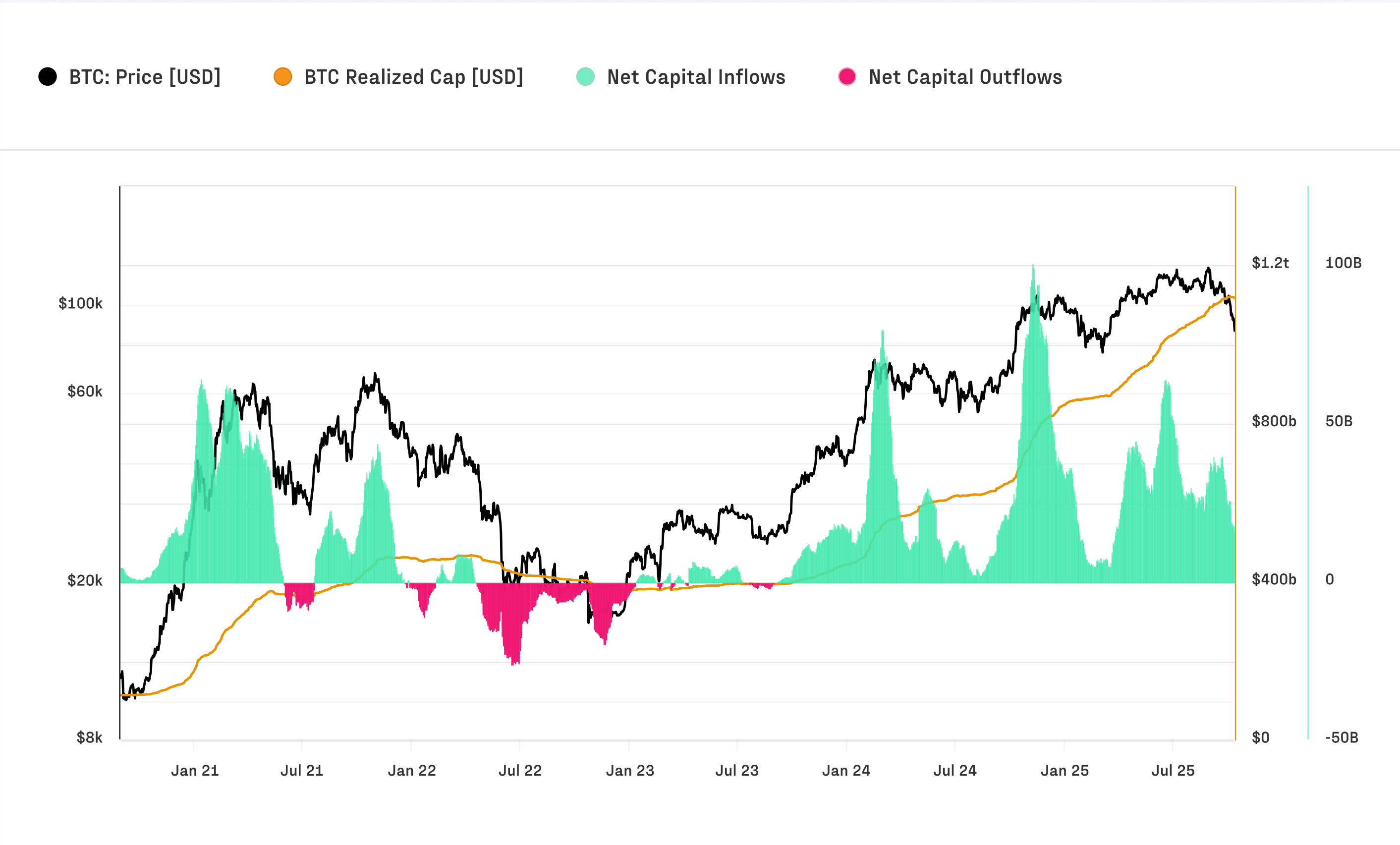
Throughout this cycle, Bitcoin has seen multiple waves of accelerating capital inflows, each coinciding with major price rallies.

Monthly net inflows have ranged between \$30B and \$100B, with the most recent upswing in October 2025 bringing approximately \$39.8B per month in fresh capital into the network. Since then, inflows have cooled to around \$15.0B per month, underscoring a clear contraction in capital deployment and a moderating phase in the broader market cycle.

As a result of these sustained and substantial inflows, Bitcoin’s aggregated Realized Cap has reached a new all-time high of \$1.1T, marking a historic milestone that underscores Bitcoin’s continued evolution as a globally held, high-liquidity asset.

Bitcoin: Realized Cap Net Position Change

Data Source: Glassnode



Cyclical Realized Cap

Over \$732B in new capital, more than all prior cycles combined, driving Bitcoin’s rise by 690%.

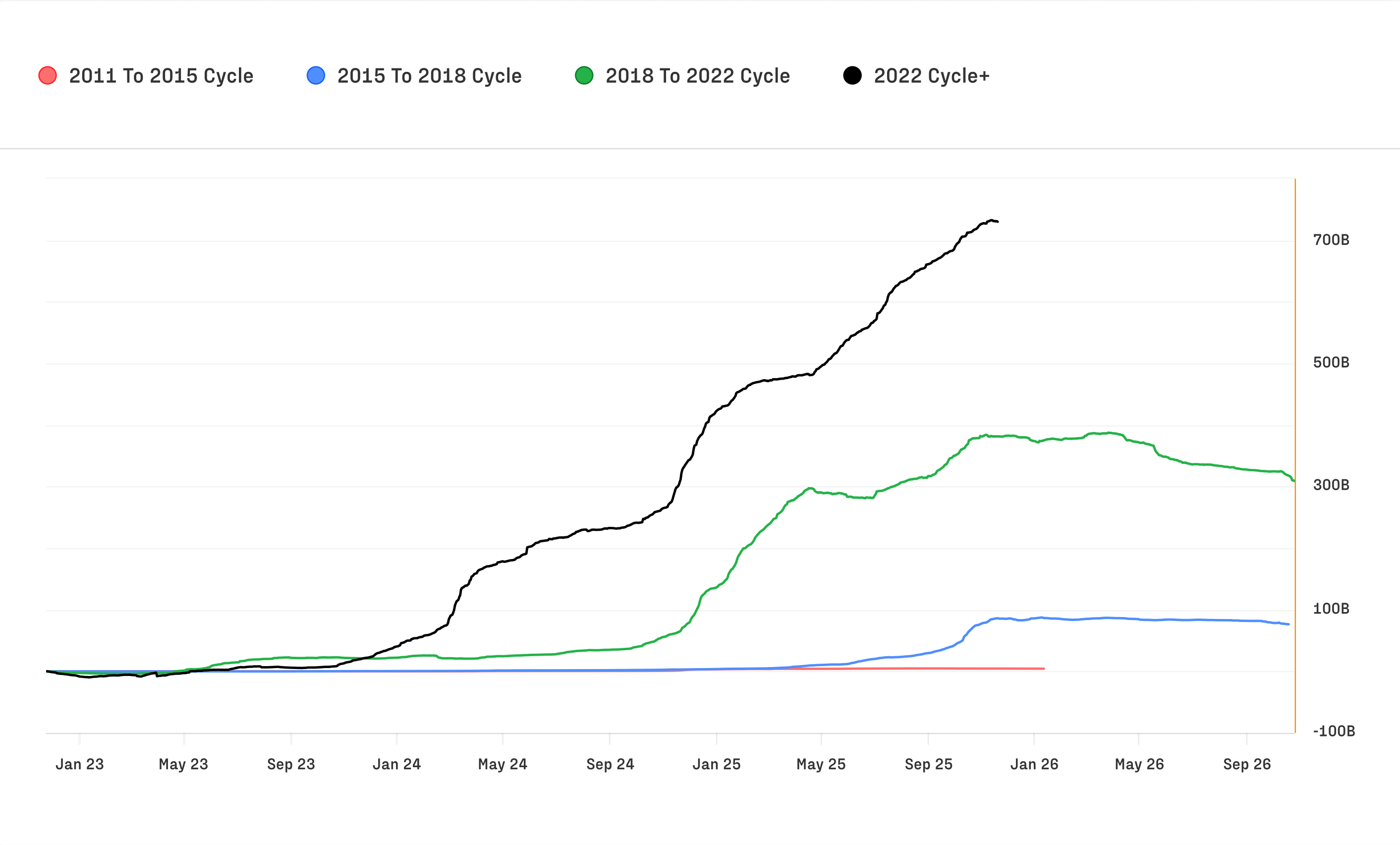
The magnitude of capital inflows throughout the current cycle underscores a structural transformation in Bitcoin’s market depth and investor base. When comparing cumulative inflows from each cycle low to its respective all-time high, the scale of growth is extraordinary:

- 2011–2015: \$4.4B
- 2015–2018: \$86B
- 2018–2022: \$388B
- 2022–Now: \$732B

The 2022–2025 cycle alone has attracted more capital than all previous cycles combined, reflecting the profound impact of institutional adoption and the emergence of regulated investment vehicles such as spot ETFs. This unprecedented capital deployment has propelled Bitcoin’s price from \$16K to \$126K, representing a ~690% gain, and marking the most financially significant expansion phase in the asset’s history.

Bitcoin: Realized Cap Since Cycle Low [Absolute]

Data Source: Glassnode



Key Pricing Levels

After multiple contraction towards Active Investors’ Mean, Bitcoin now tests its conviction; Reclaiming the STH-Cost Basis is key to avoid a deeper reset.

By utilizing key on-chain pricing models, we can establish a structural framework for interpreting Bitcoin’s cyclical behavior.

Deep Bear Market:
Prices trade below the Realized Price.

Weak Bull Market:
Prices trade between Active Investors Mean & STH-Cost Basis.

Bull/Bear Transition:
Prices trade between Realized Price & Active Investors Mean.

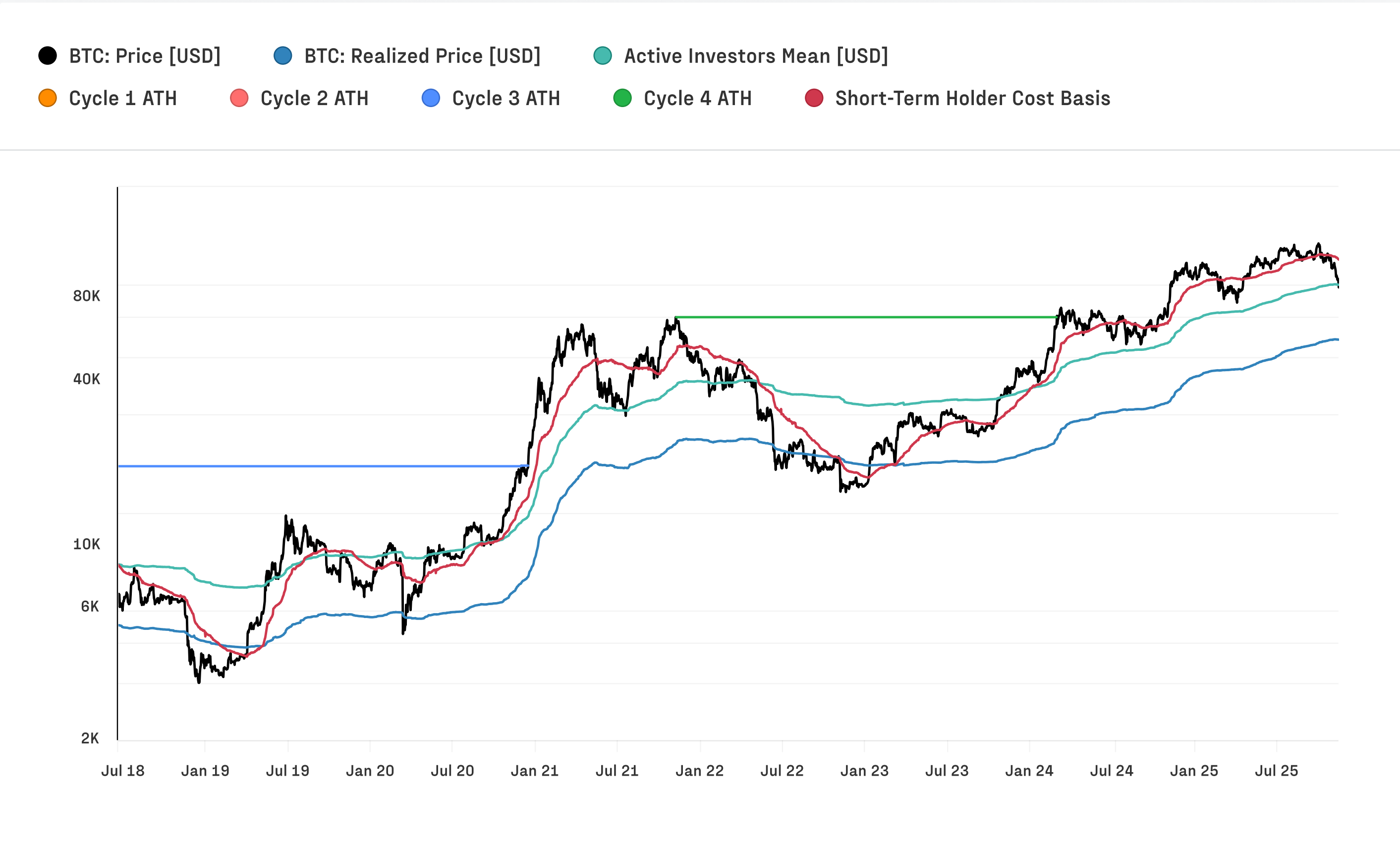
Euphoric Bull Market:
Prices trade above Active Investors Mean & STH-Cost Basis.

Since Q1 2024, Bitcoin has consistently traded above the Active Investors Mean, oscillating around the STH Cost Basis. This dynamic has characterized a long, constructive bull market, punctuated by three major rallies separated by brief, shallow consolidation phases.

Following the Black Friday correction in early October 2025, prices have spent most of the time below the STH-Cost Basis, with only brief rebounds into the euphoric zone. This weakness has persisted, and price has now fallen below the Active Investors’ Mean, marking a clear transition to what has historically been a bear-market environment.

Bitcoin: Key Price Levels

Data Source: Glassnode



Annualized Volatility

The long-term volatility has compressed from 84% to 43%.
Bitcoin trades calmer, larger, and more institutional than before.

Realized volatility has continued its long-term structural decline, reflecting Bitcoin’s growing market depth and institutional participation. As the asset class expands in size, it requires progressively greater capital inflows to generate the same degree of price movement, signaling a steady maturation of the market.

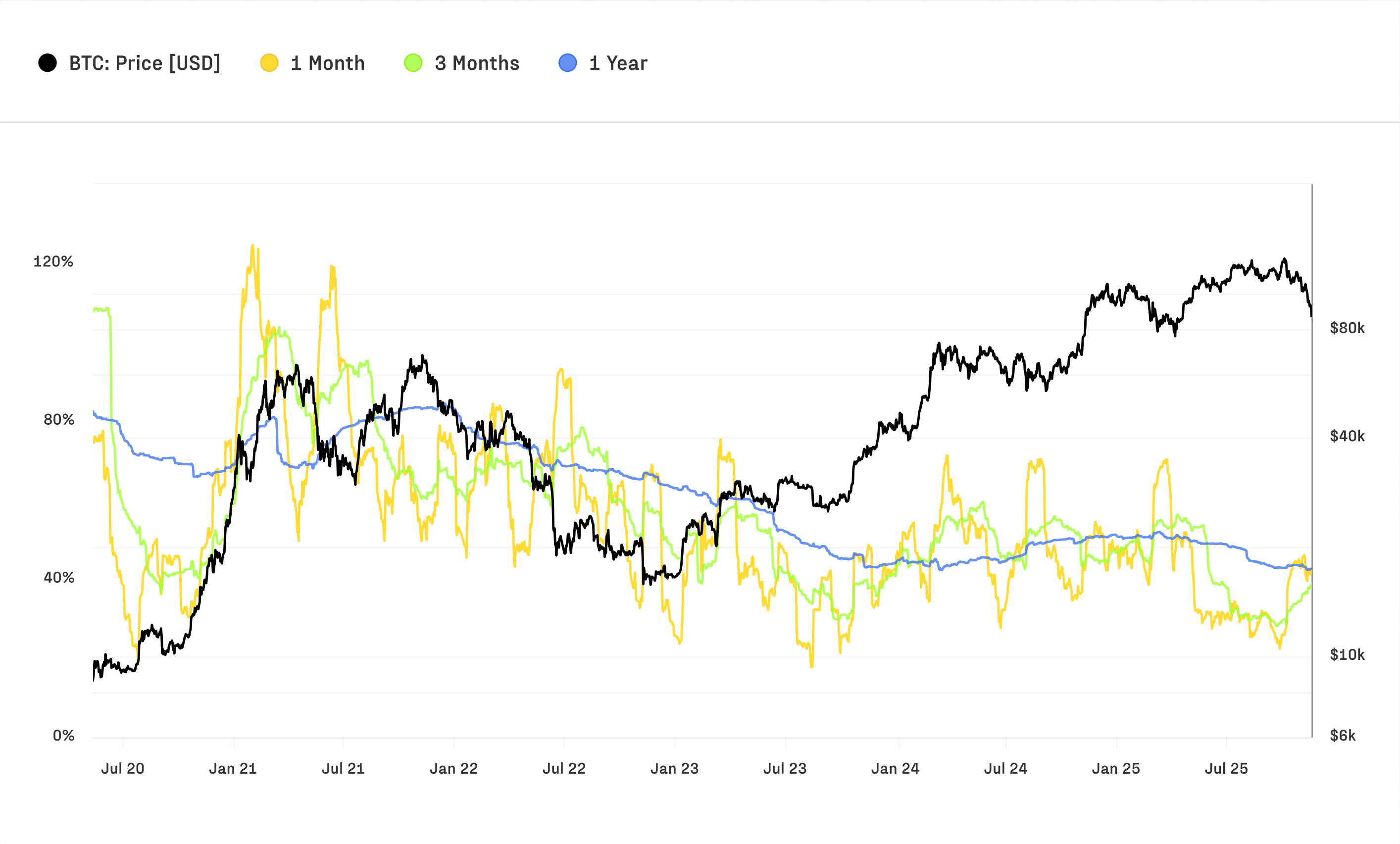
Since the 2021 cycle peak, Bitcoin’s 1-year realized volatility has fallen sharply from 84.4% to 43.0%, underscoring a sustained dampening of systemic volatility. This compression in volatility highlights Bitcoin’s transition toward a more institutionally anchored asset.

Shorter-term volatility measures, including 1-month and 3-month horizons, have fluctuated within a 17% to 75% range. Although this interval is lower than the bands observed in previous market cycles, it remains substantially higher than the volatility typically seen in traditional equity and commodity benchmarks.

This suggests that even in a more mature phase, Bitcoin continues to display a structurally elevated sensitivity to liquidity fluctuations and shifts in market sentiment.

Bitcoin: Annualized Realized Volatility (All)

Data Source: Glassnode



Realized Cap HODL Waves

With three waves of new investors deploying capital, this cycle traded euphoria for endurance. A slow-burning expansion, not a blow-off top.

The Realized Cap HODL Waves metric offers a detailed view into the age distribution of capital within the Bitcoin network, effectively mapping how wealth transitions between long-term holders and new market entrants. By isolating coins younger than three months, this metric serves as a reliable proxy for new investor participation and cyclical market enthusiasm.

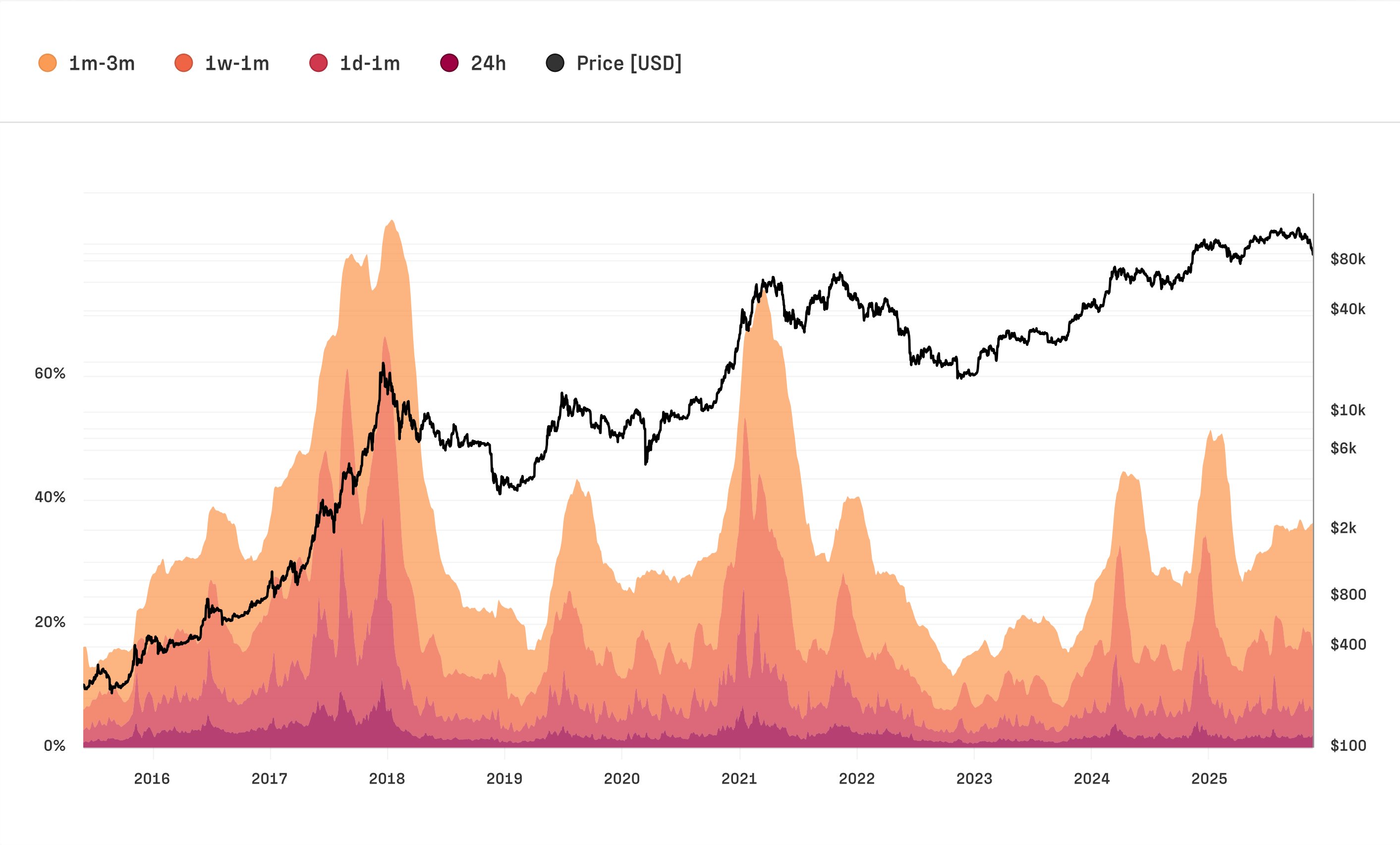
Historically, cycle tops have coincided with a saturation of new investor wealth, often exceeding 70% of the realized cap, as seasoned holders distribute coins into retail-driven demand.

In contrast, the current cycle presents a distinct structure; Rather than a single explosive top, Bitcoin has exhibited three smaller euphoric waves, each peaking at around 35% of realized cap held by new investors.

This pattern implies a maturing market dynamic—where capital inflows and profit realization occur over multiple extended phases rather than a single parabolic peak, signaling a cycle defined more by sustained optimism than speculative excess.

Bitcoin: Realized Cap HODL Waves

Data Source: Glassnode



Spot Volume

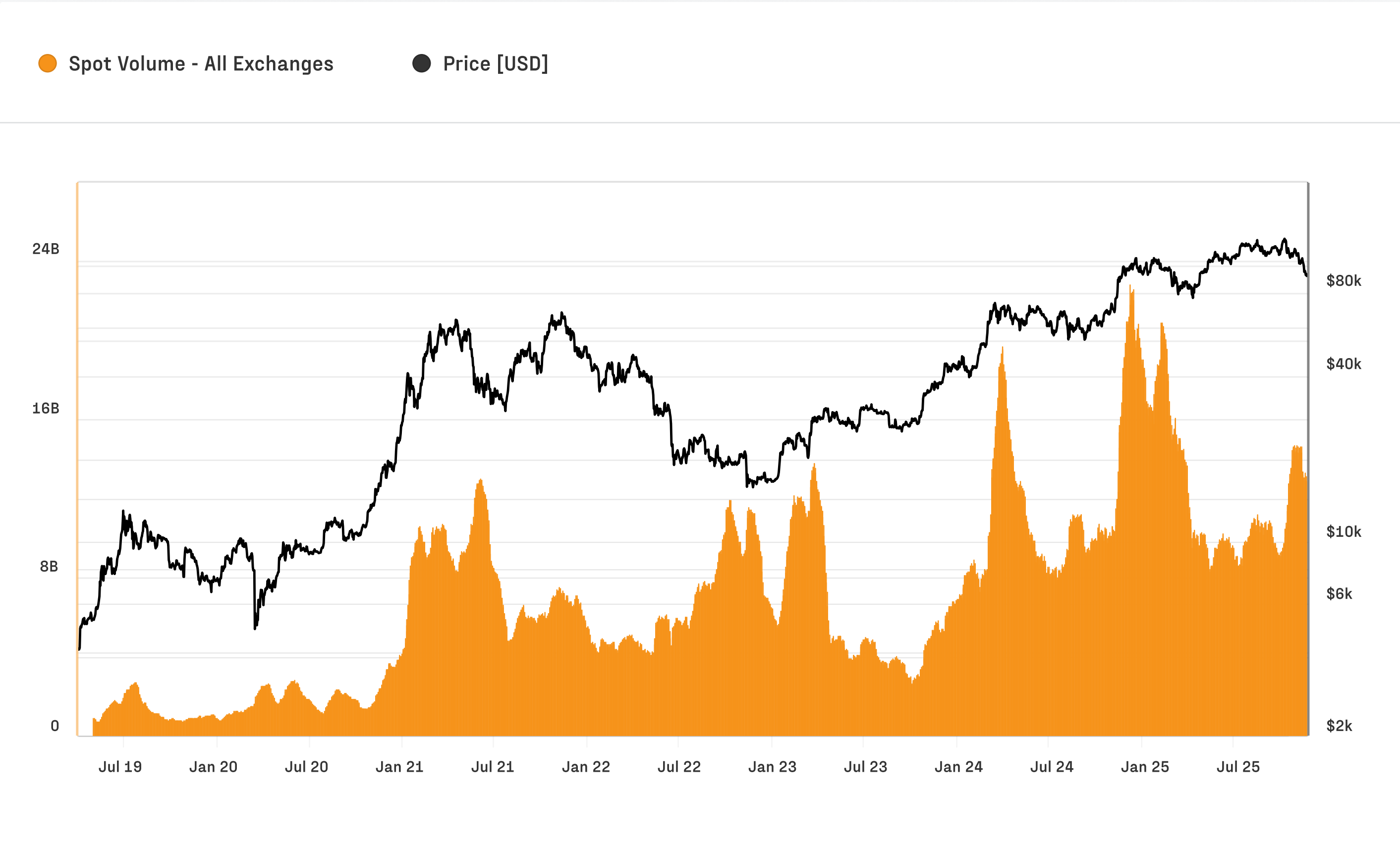
Bitcoin spot volumes have scaled into the \$8B–\$22B range, reflecting deeper liquidity and spot-driven price discovery this cycle.

With Bitcoin progressing through a three-year constructive, spot-driven cycle, trading activity on top centralized exchanges has expanded meaningfully. The 30-day moving average of intraday spot trading volume has risen from a \$4B–\$13B range in the previous cycle to \$8B–\$22B in the current one.

This notable increase reflects the continued maturation of Bitcoin’s market structure and the growing role of spot markets as the primary driver of price discovery, particularly across crypto-native exchanges. The expansion in trading volumes highlights deepening liquidity conditions and improved capacity for institutional allocators to build or unwind positions without exerting excessive market impact.

Bitcoin: Spot Volume [USD]

Data Source: Glassnode



Spot Bias

Selling bias grows across Binance and global venues, while Coinbase demand quietly steadies the market.

To assess the balance between buying and selling pressure in spot markets, we track changes in the Cumulative Volume Delta (CVD) across major exchanges. When the CVD trends higher, it signals net spot demand supporting price momentum, while declines below zero indicate cooling demand and growing sell pressure.

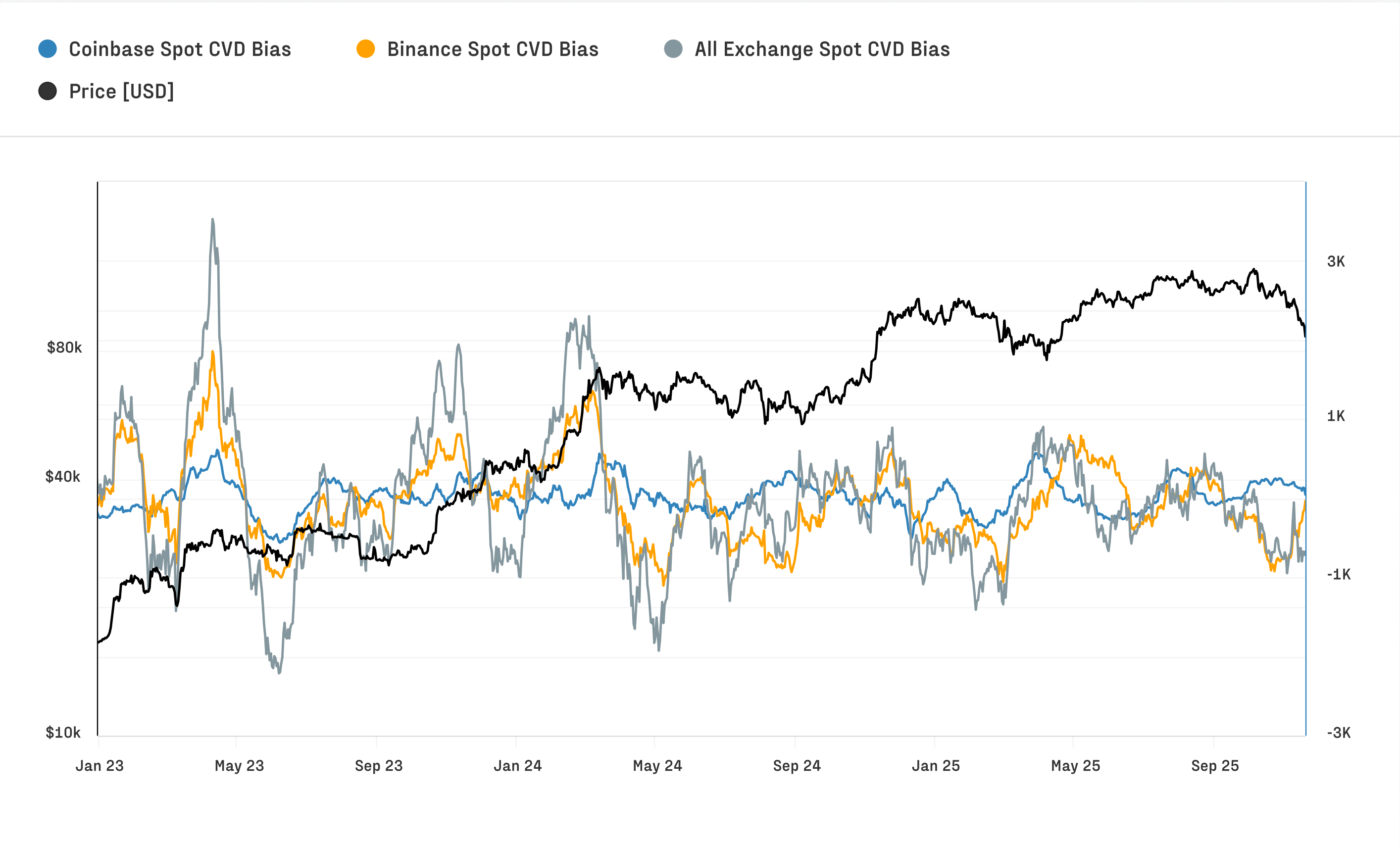
In this analysis, CVD is measured across Binance, Coinbase, and All Exchanges, representing the APAC, U.S., and global trading venues.

Throughout this cycle, major rallies have been marked by synchronized buy-side pressure on both Binance and Coinbase, though occasional divergences reveal regional sentiment shifts.

Currently, as the market retreats from recent highs, a renewed selling bias has emerged on Binance and the broader market, while Coinbase continues to show modest buying activity, hinting at ongoing institutional accumulation despite short-term weakness.

Bitcoin: Spot Indicator: Cumulative Volume Delta Bias

Data Source: Glassnode



Orderbook Depth

Orderbook depth outpaced price growth, marking Bitcoin’s most efficient trading regime to date.

This figure illustrates the evolution of the BTC/USDT price (left axis, light blue) alongside the Binance spot spread (right axis, dark blue) from January 2023 to October 2025 this spread is defined as the bid-ask spread for a \$100k USD order on the Binance BTC-USDT pair. Throughout this period, the Binance spot spread shows a clear structural compression, declining steadily through 2023 and stabilizing near zero from mid-2023 onward.

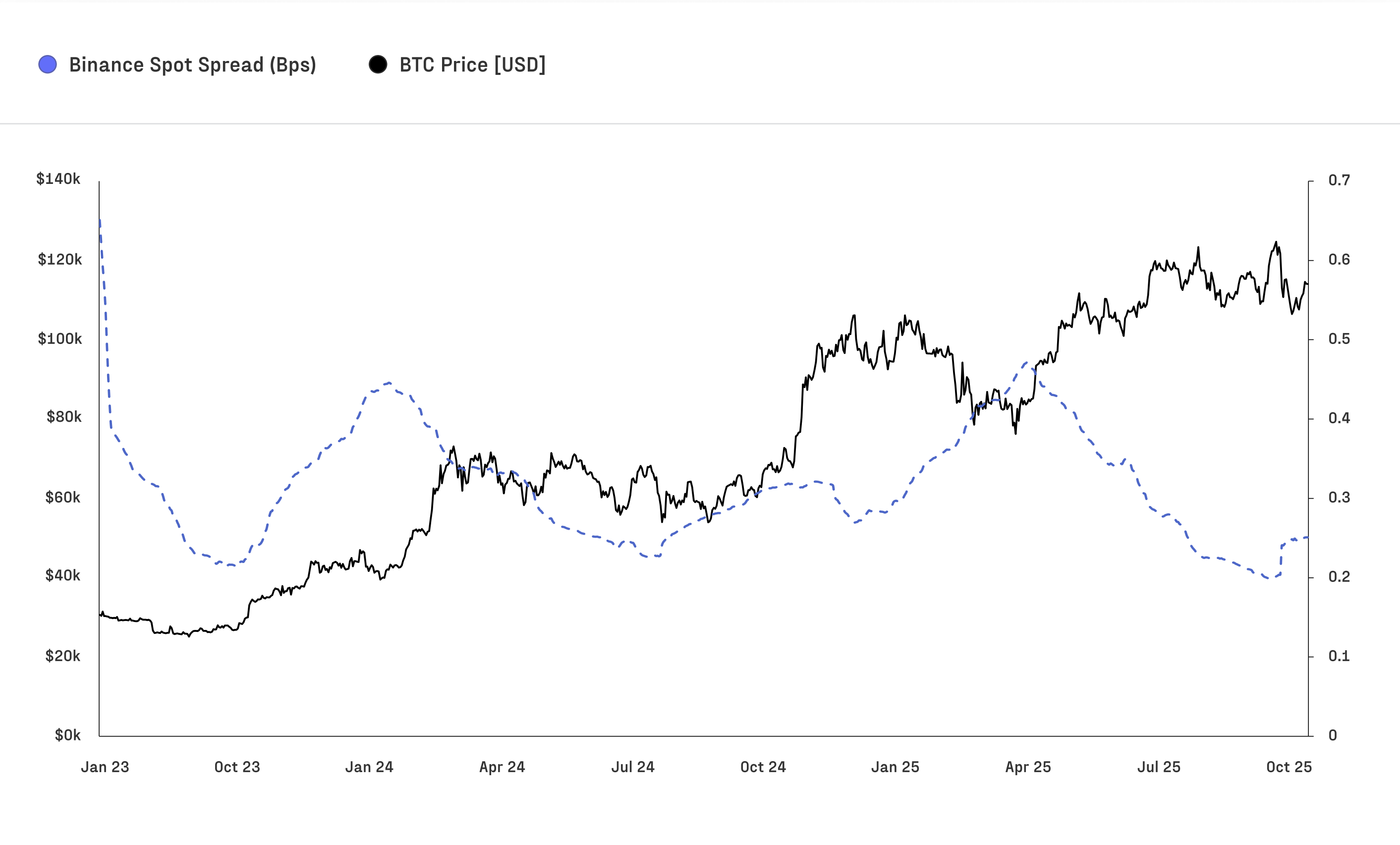
This persistent tightening reflects deeper exchange liquidity, stronger participation from high-frequency liquidity providers, and reduced exchange-specific risk following regulatory changes in 2023. Notably, despite Bitcoin appreciating from roughly \$20k in early 2023 to above \$125k by 2025, spreads did not widen in tandem with price.

Instead, spreads remained anchored at historically low levels, indicating that relative liquidity efficiency improved even as the market expanded in size and volatility. Overall, this chart documents a regime shift from the high-spread, low-liquidity conditions of early 2023 to a period of persistently tight spreads and heightened market-making competitiveness.

The near-zero spread environment suggests the market may be approaching an efficiency floor, where further improvements will be incremental and largely driven by technology—such as faster matching engines, deeper cross-venue liquidity aggregation, and greater capital integration across professional market-making firms.

Binance Spot Market Depth for a \$100k Market Order

Data Source: Fasanara Digital



Futures Open Interest

Open interest surged to a record \$67.9B, with CME now roughly 30% of total exposure, a clear sign of institutional dominance in Bitcoin derivatives.

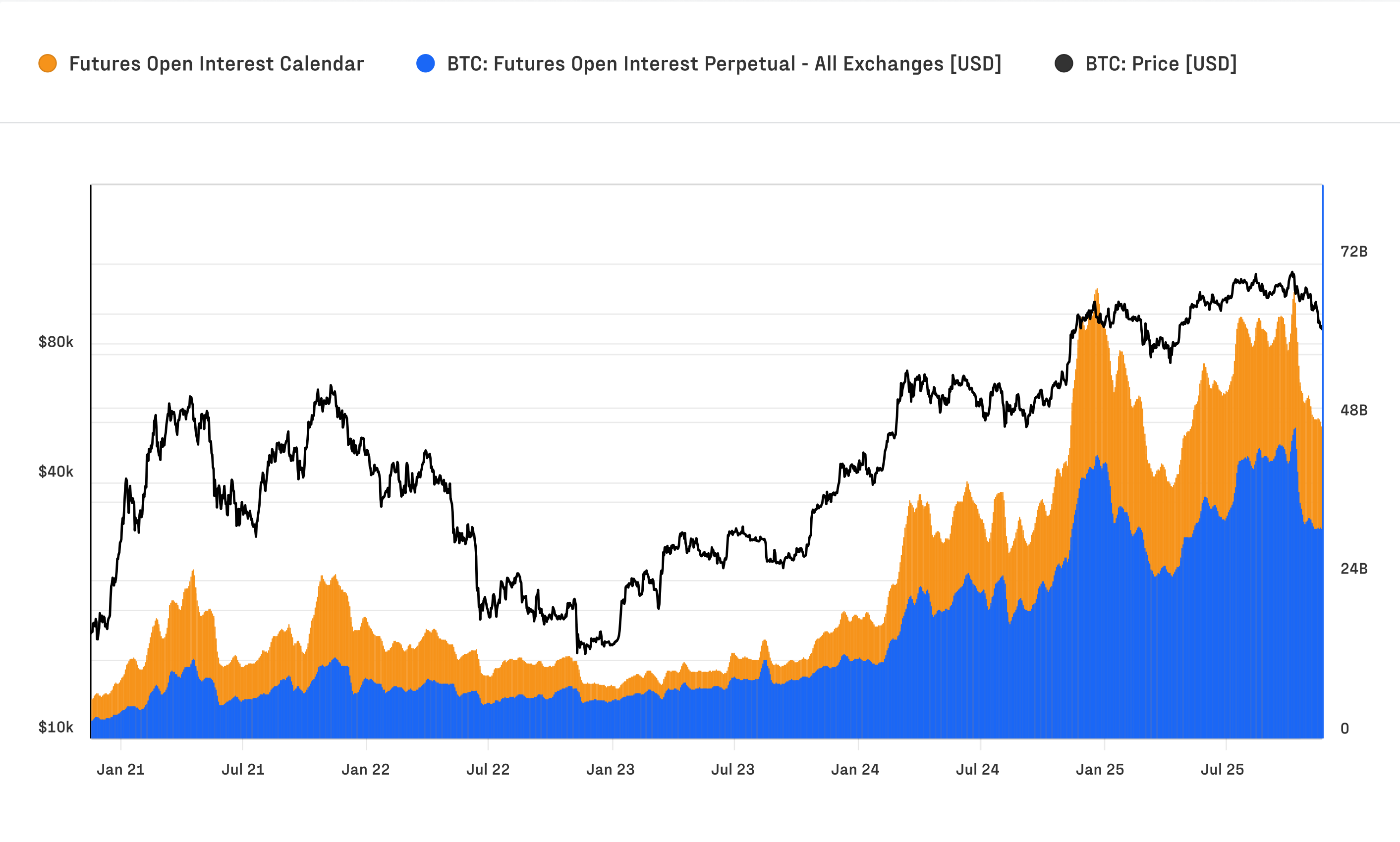
The derivatives market for Bitcoin has continued to expand alongside the asset’s structural maturation and increasing institutional participation. Since 2021, futures products have consistently represented the majority of total trading activity and open interest across the digital asset space.

Perpetual swap contracts remain the preferred instrument among crypto-native traders. However, regulated CME Group futures have emerged as a dominant vehicle for institutional exposure since 2023, reflecting growing demand for directional and cash-and-carry yield strategies, particularly following the approval of spot ETFs that opened direct access for traditional finance participants.

Across both perpetual and calendar-expiring futures, total open interest has reached an all-time high of \$67.9B, marking a substantial increase in leverage and speculative positioning within the system.

The CME accounts for approximately \$20.6B, or roughly 30% of total open interest, underscoring its central role in institutional positioning. A strong correlation between CME open interest and US ETF AUM suggests that a large share of this capital is deployed in basis-trading strategies, often paired with spot ETF inflows to capture arbitrage opportunities.

Bitcoin: Futures Open Interest Calendar and Perpetual [Stacked] Data Source: Glassnode



Futures Volume

Daily trading volumes reached \$68.9B, with perpetuals capturing over 90% of activity, cementing their position as the heartbeat of crypto leverage.

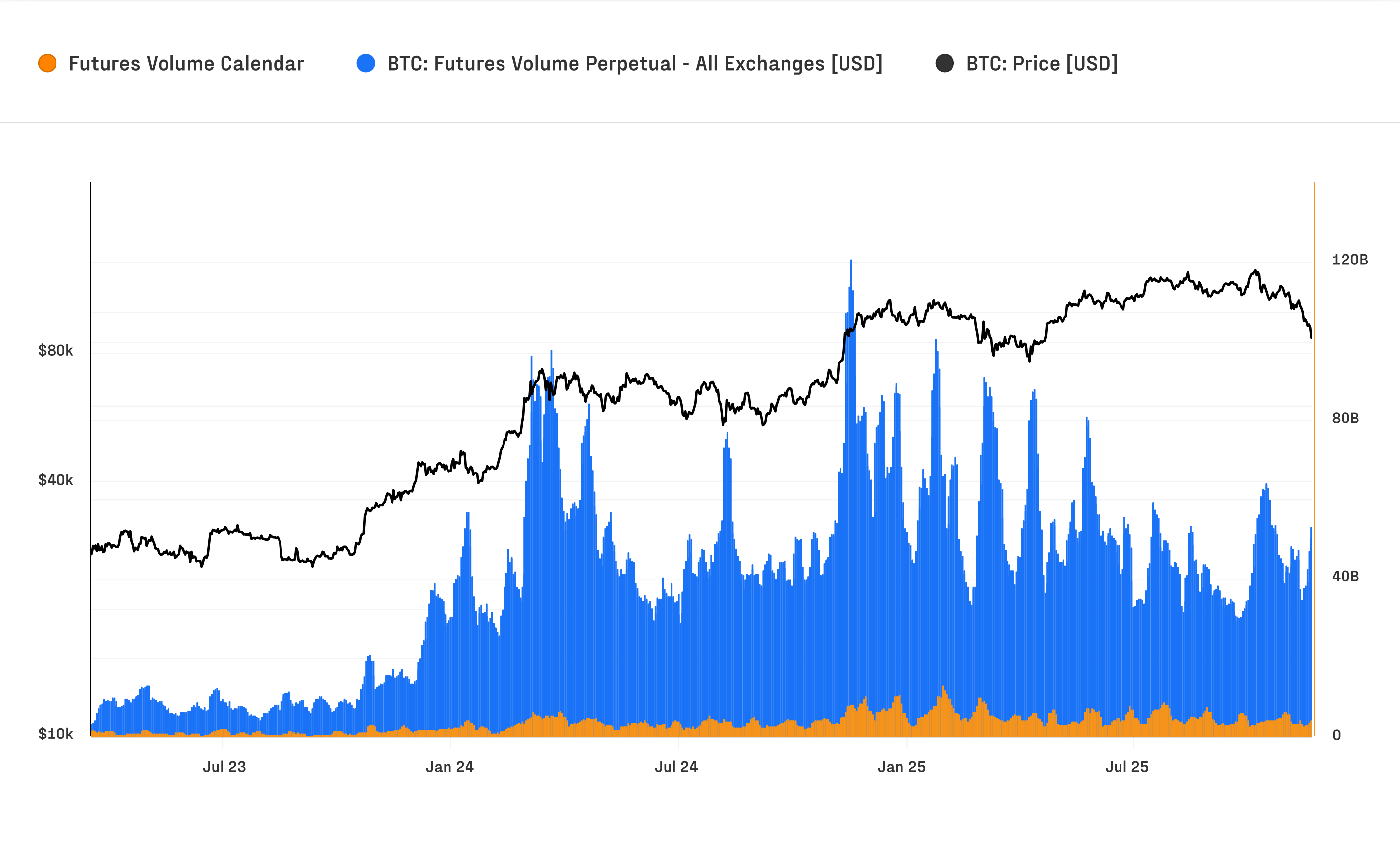
Trading activity across Bitcoin futures markets has remained robust, with total daily volumes reaching \$68.9 billion on mid-October, reflecting heightened participation amid post-ATH volatility. Of this, approximately \$64.4 billion (~93%) is attributed to perpetual swap contracts, reaffirming their dominance as the most liquid and actively traded derivative instrument in the crypto ecosystem.

By contrast, calendar-expiring futures continue to represent a smaller share of total activity, underscoring their role as preferred instruments for basis and yield-capture strategies rather than high-frequency directional trading.

The structural divide between these markets highlights the ongoing specialization of derivative instruments; where perpetuals serve speculative demand, while calendar futures increasingly cater to institutional and arbitrage-oriented strategies.

Bitcoin: Futures Volume Calendar and Perpetual

Data Source: Glassnode



DEX-Perpetual Market

With more than 20% share from total volume, decentralized perpetuals proved they are no longer a niche, but a structural pillar of the market.

In parallel with the expansion of centralized futures markets—both crypto-native and regulated—the decentralized perpetual (DEX-perp) sector has experienced a remarkable rise this cycle.

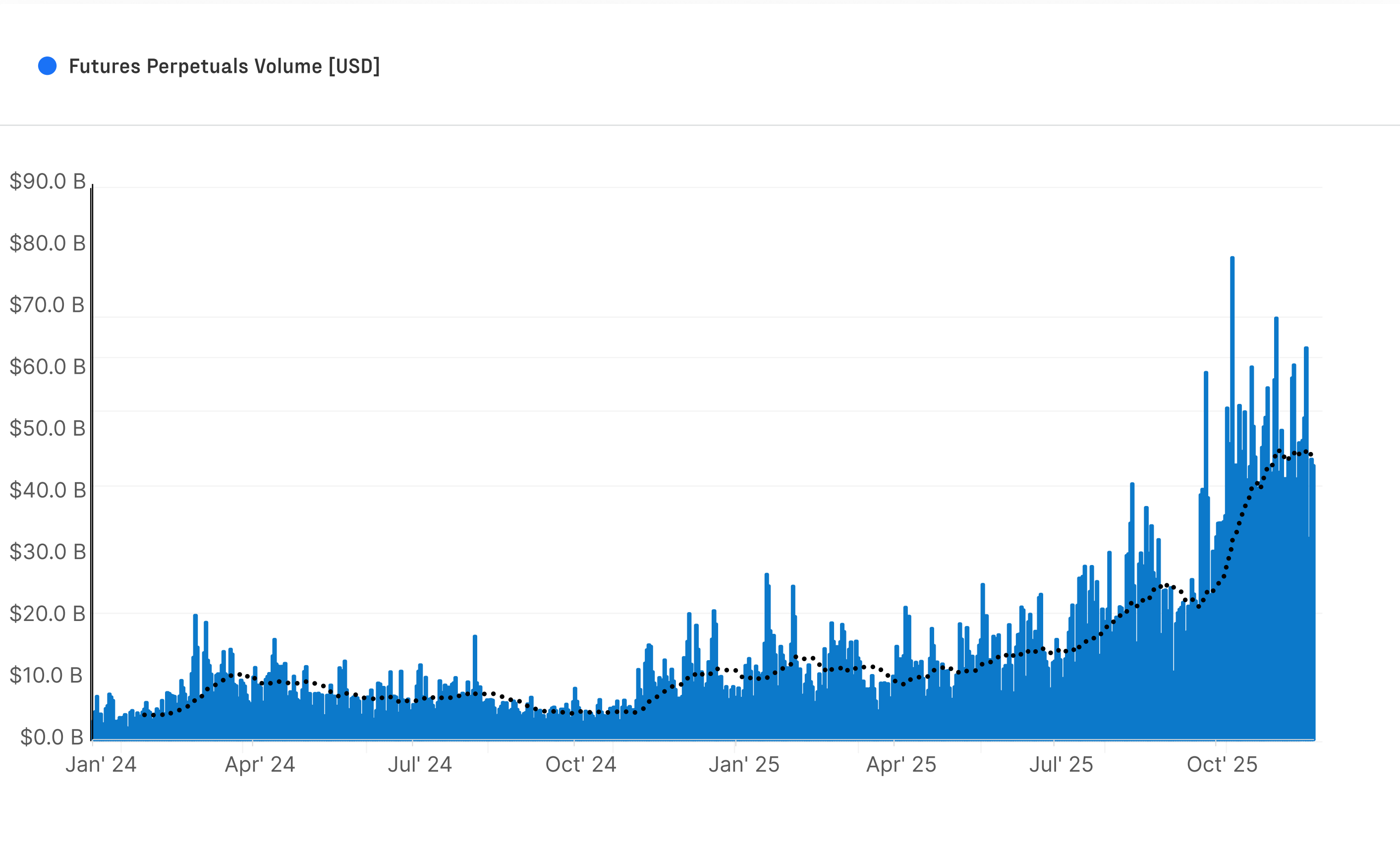
Between January and late August 2025, decentralized exchanges accounted for roughly 10% of total perpetual trading volume, mostly dominated by Hyperliquid, when measured against the combined activity of major centralized and decentralized venues.

Following the launch of innovative DEX platforms such as Aster and Lighter in early September, decentralized perpetual trading volume on all coins sits at 16% of total perpetual trading volume. With monthly perpetual volume crossing \$1T for the first time in October

This explosive yet sustained growth reflects a clear structural demand for decentralized trading venues, as participants increasingly seek custody independence, transparency, and on-chain execution without sacrificing liquidity or depth.

Decentralised Derivatives Exchange Volume

Data Source: DeFi Llama



Perpetual Market Premium

Speculative fervor pushed monthly premiums as high as \$614M, before cooling to \$110M, marking a decisive shift from euphoria to equilibrium.

By multiplying the funding rate with the current open interest in perpetual swap markets, we can estimate the cumulative monthly premium that long-side traders have paid to short-side positions over the past 30 days. This measure effectively captures the degree of speculative bias embedded within perpetual markets.

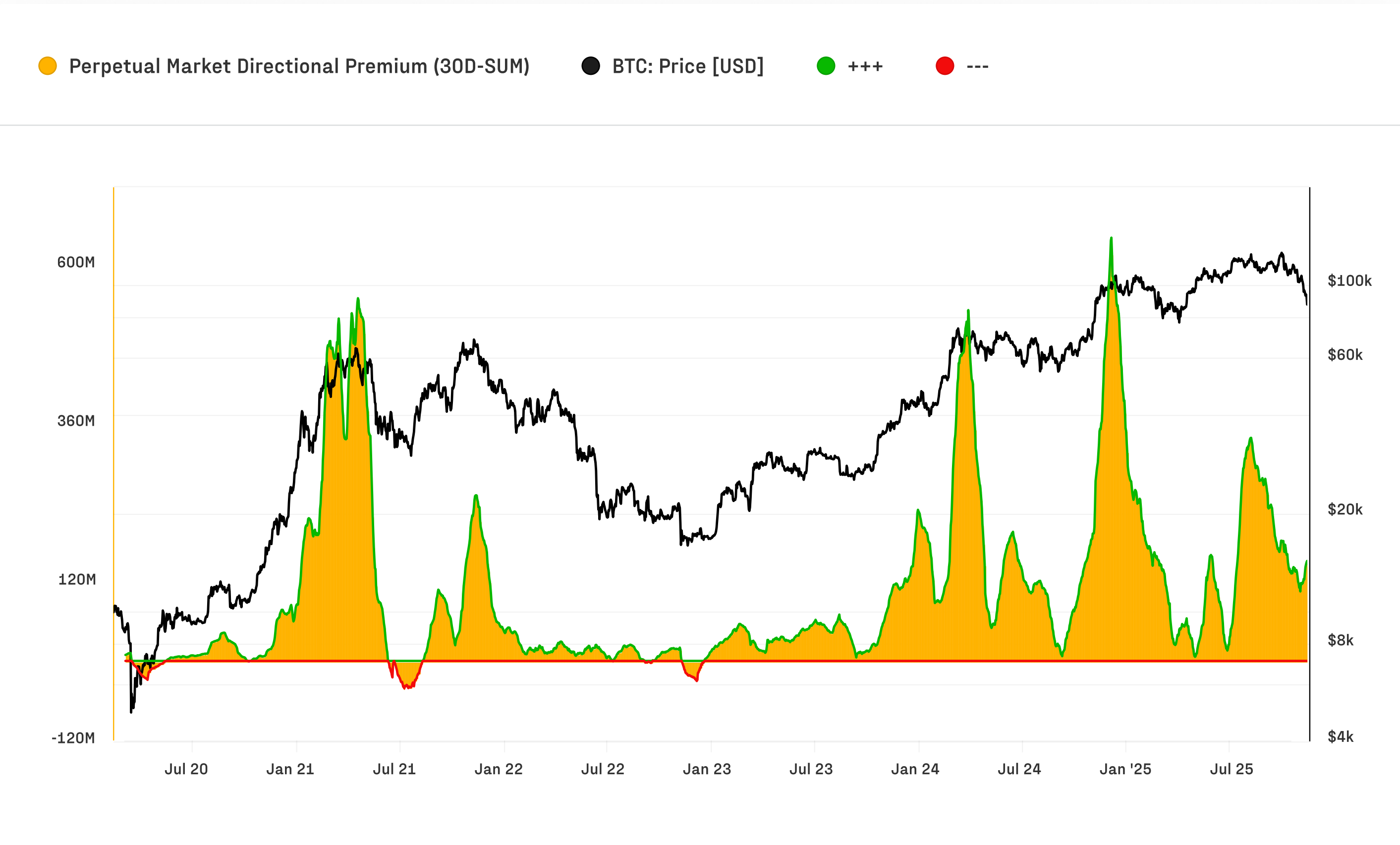
Throughout this cycle, Bitcoin has recorded multiple major rallies, each accompanied by a surge in speculative positioning, driving the monthly premium between \$195M and \$614M.

Currently, however, this figure has declined sharply to around \$110M per month, underscoring a notable market cool-down as Bitcoin’s price retraced from its mid-August rally peak near \$123K.

Historically, sustained structural shifts in the perpetual market’s directional premium have served as leading indicators of speculative momentum, signaling transitions between risk-on and risk-off regimes in price action.

Bitcoin: Perpetual Market Directional Premium

Data Source: Glassnode



Perpetual Futures Collateral

With 78% of collateral now in cash and stablecoins, futures markets finally trade on institutional footing.

The collateral composition of Bitcoin futures has undergone a structural transformation since the speculative excesses of 2021, when high-leverage positions backed by volatile crypto-collateral were commonplace. Over recent years, cash-margined contracts have become the dominant form of collateralization, signaling a significant shift toward stability and institutional-grade risk management.

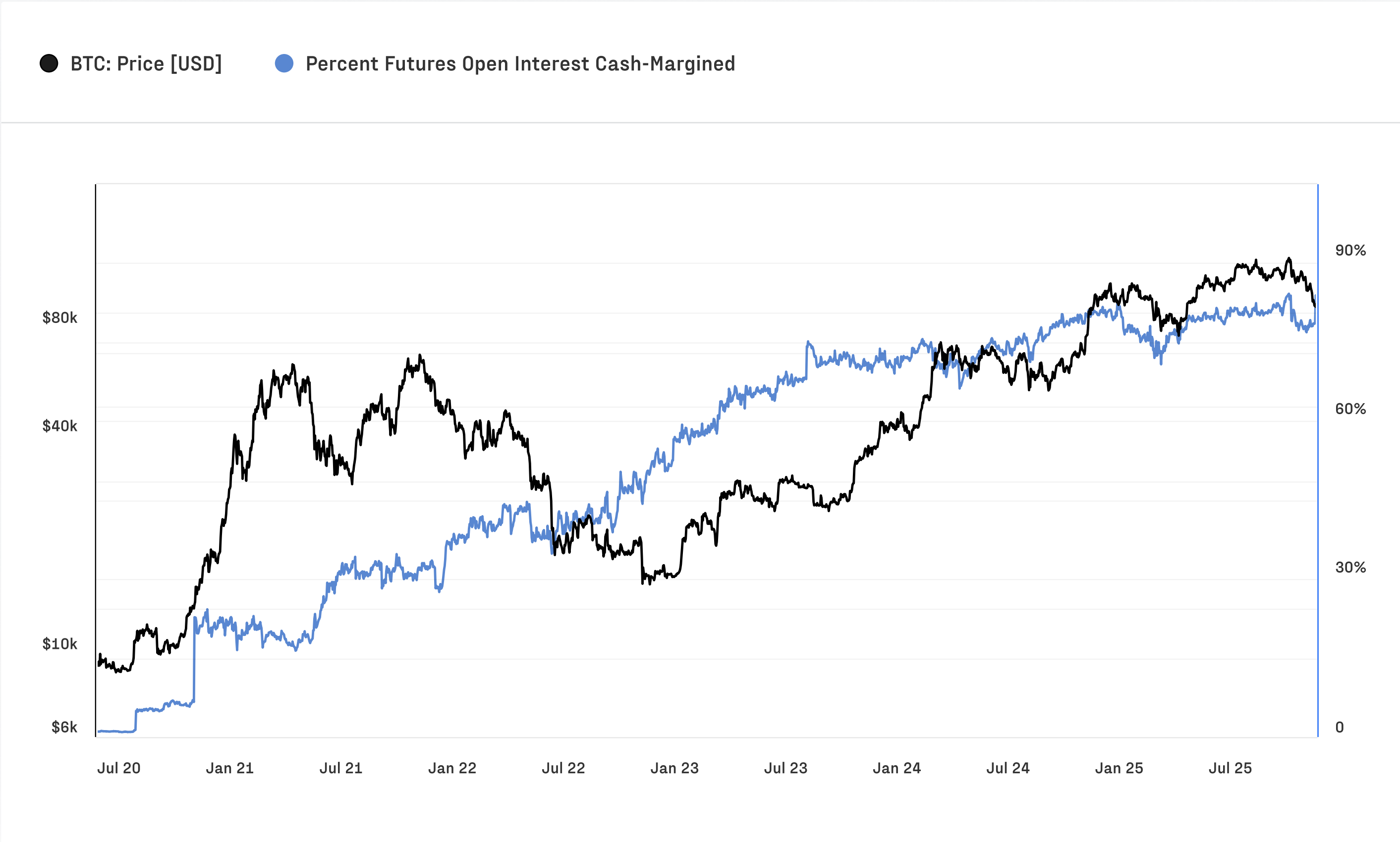
As of early October, Stablecoins and USD collectively account for approximately 78% of total margin collateral, reflecting a preference for lower-volatility instruments among both institutional and professional traders.

This evolution has materially reduced systemic risk and mitigated the scale of liquidation cascades, as margin collateral values now remain largely insulated from market price swings.

Overall, this shift represents a clear maturation of derivative market structure, aligning Bitcoin’s futures landscape more closely with traditional financial standards of margin efficiency and risk control.

Bitcoin: Percent Futures Open Interest Cash-Margined

Data Source: Glassnode



Total Liquidations

Average daily liquidations expanded to \$68M long and \$45M short, reflecting a market both larger in scale and quicker to punish excess leverage.

A review of daily liquidation volumes in Bitcoin futures markets highlights a notable expansion in leverage activity since the cycle low. The average range of daily long / short liquidations has widened from \$28M / \$15M to approximately \$68M / \$45M, reflecting the combined effects of increased open interest and broader market participation.

This growth in liquidation magnitude is partly rooted in the launch of spot Bitcoin ETFs in early 2024, which attracted a new wave of directional speculators and boosted systemic leverage across both perpetual and calendar futures.

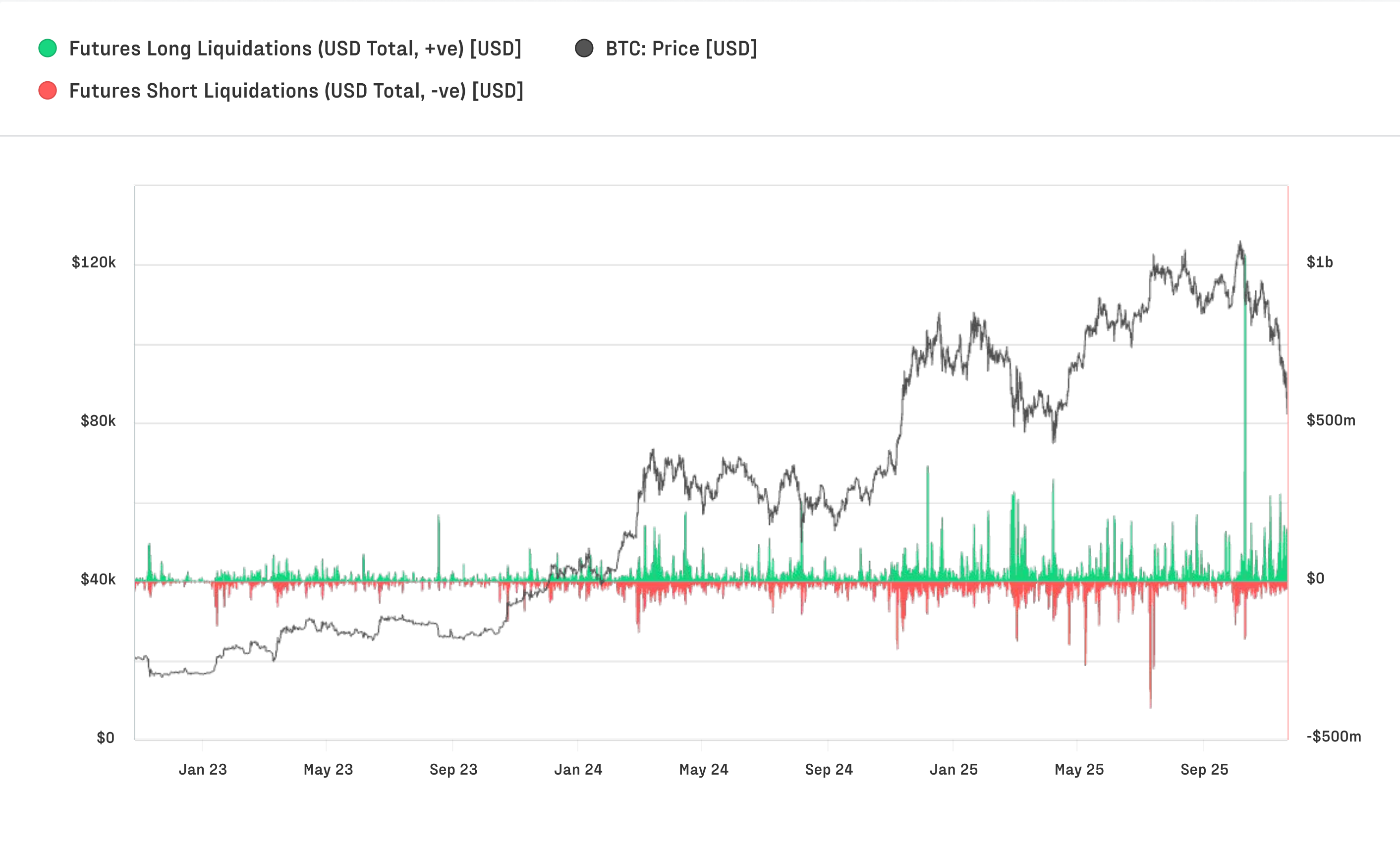
Periods of heightened volatility have repeatedly driven liquidation spikes beyond historical statistical bands, underscoring the market’s sensitivity to rapid price swings.

In recent months, particularly following the post-FOMC volatility episodes, the frequency of extreme liquidation days has risen once again, signaling a renewed appetite for leveraged speculation and reinforcing how tightly market volatility remains linked to futures market positioning.

The data below is obtained from Centralized Exchanges(CEXs) only.

Bitcoin: Total Futures Liquidations

Data Source: Glassnode



Early Black Friday

On October 10th, 2025, >\$640M/hr in long positions were wiped out; a record-breaking reset that tested leverage resilience.

On October 10th, 2025, Bitcoin experienced one of the most dramatic liquidation events in its history, marking a rare and abrupt system-wide deleveraging. Hourly long liquidations surged to \$640M per hour, exceeding the typical extreme threshold of \$100M per hour by more than sixfold. This unprecedented flush reflected the concentrated build-up of leveraged long exposure preceding the event.

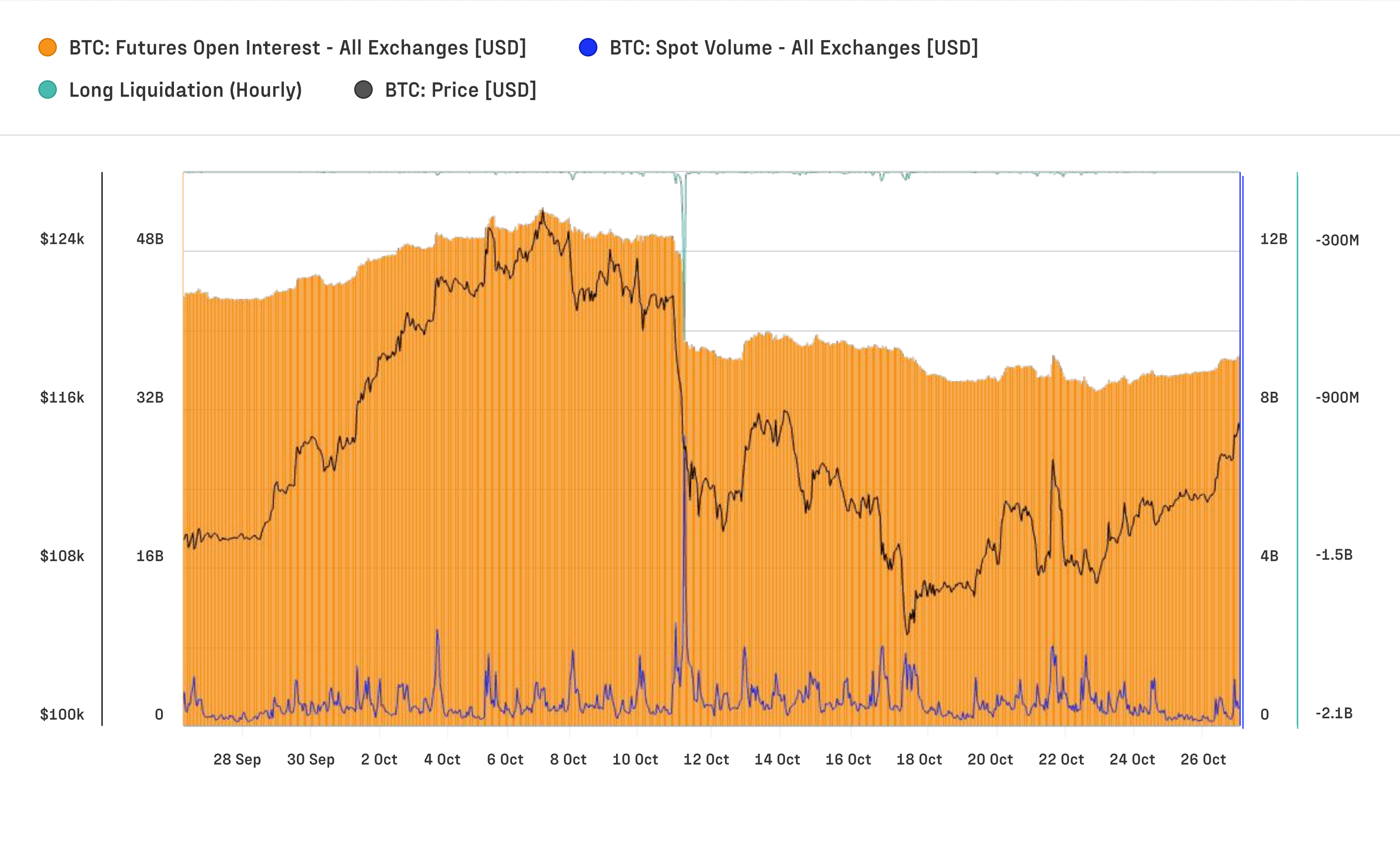
During this rapid de-risking episode, the Bitcoin price fell from \$121K to \$102K, while total futures open interest collapsed from \$49.5B to \$38.8B, representing a ~22% reduction in under twelve hours.

The scale of this decline underscores how, despite the market’s growing institutionalization, structural leverage remains a key source of fragility within derivatives markets.

Remarkably, the spot market displayed notable resilience, with intraday trading volumes surging to \$7.3B per hour—more than three times higher than typical peaks. This surge in spot activity highlights a clear “buy-the-dip” behavior, as capital swiftly rotated from liquidations into spot accumulation at discounted prices.

Bitcoin: Black Friday Reset

Data Source: Glassnode



Intraday Liquidity Breakdown

A mature market met a sudden shock, spreads blew out in minutes, normalized in an hour, and revealed both strength and vulnerability.

The behaviour of futures market spreads during the 10 October event highlights a system that is highly liquid and efficient under normal conditions, yet still vulnerable to rapid liquidity shocks. For most of the day, spreads remained exceptionally tight, indicating deep order books, strong market-maker participation, and intense competition among liquidity providers. This reflects a structurally mature derivatives environment with stable microstructure and no visible signs of fragility leading into the event.

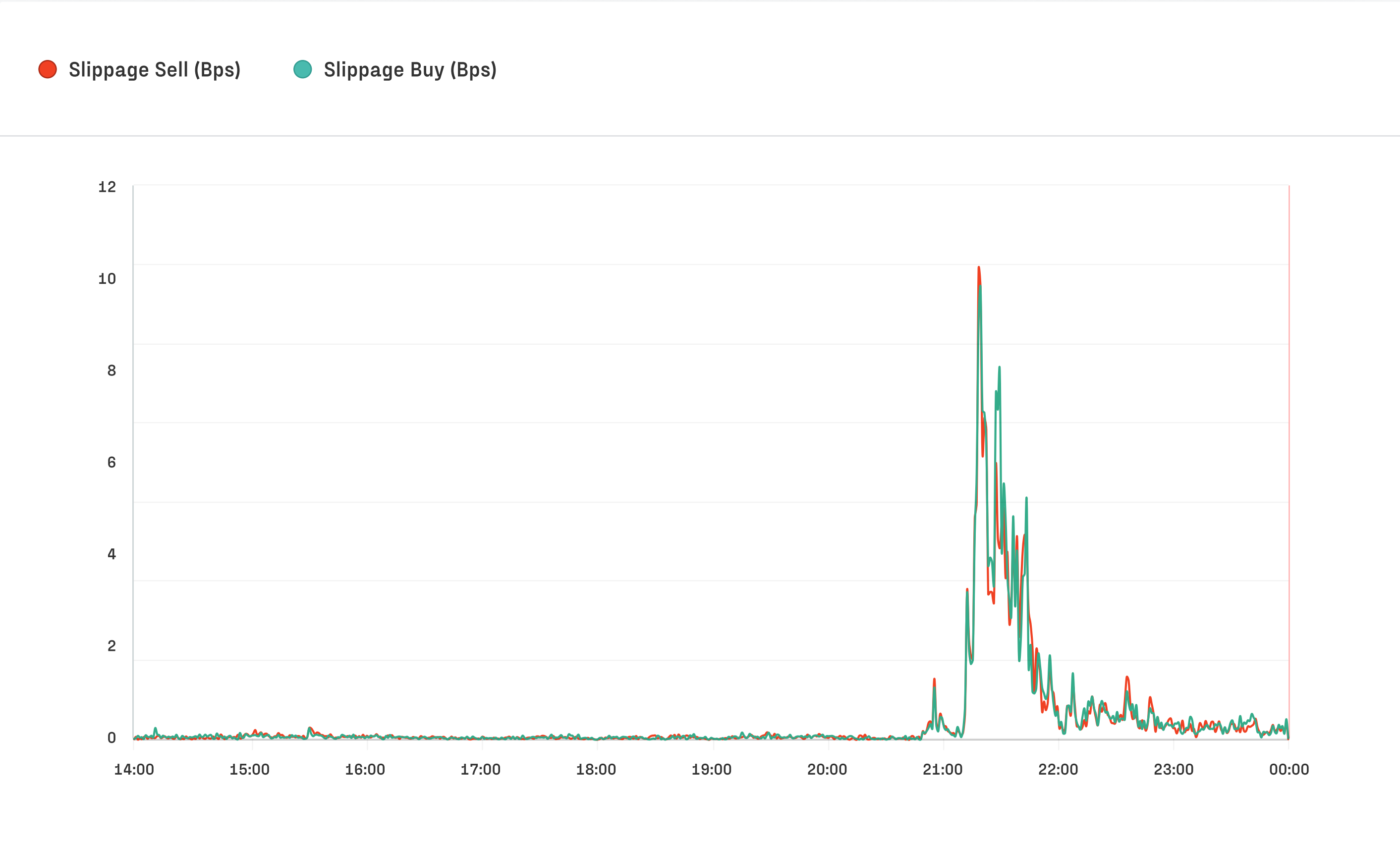
This graph depicts the slippage incurred from mid-price for a \$100k market order on the Binance BTC-USDT perpetuals market. The abrupt spread explosion shortly after 21:00 illustrates how quickly

liquidity can evaporate when faced with extreme volatility or large forced flows. Despite the scale of the shock, spreads normalized within roughly one hour, demonstrating the market’s resilience. Liquidity providers re-entered quickly, order books rebuilt, and trading conditions reverted to their typical state without lasting impairment.

Overall, the episode shows a derivatives market that is efficient, competitive, and stable in ordinary conditions, but still susceptible to brief liquidity vacuums when volatility accelerates. This is indicative of a system that is structurally robust — but not yet fully insulated from the high-frequency stresses that accompany sharp deleveraging events.

Bitcoin: Black Friday Reset

Data Source: Fasanara Digital



Orderbook Depth

Futures spreads fell from 0.25% to 0.05%, marking a decisive move toward a more mature market.

The figure displays the bid-ask spread for a \$100k USD order in the BTC-USDT perpetual swap market on Binance (dark blue, right axis) alongside the BTC spot price (black, left axis), revealing a clear contrast with spot-market behaviour. Whereas spot spreads compressed steadily across 2023–2025, futures spreads remained highly cyclical, rising during major BTC rallies in early 2023 and Q1 2024 as funding premia, leverage demand, and market-maker inventory pressures intensified.

From mid-2024, spreads entered a persistent normalization phase, dropping from roughly 0.25% to 0.05% as liquidation cycles reduced leverage,

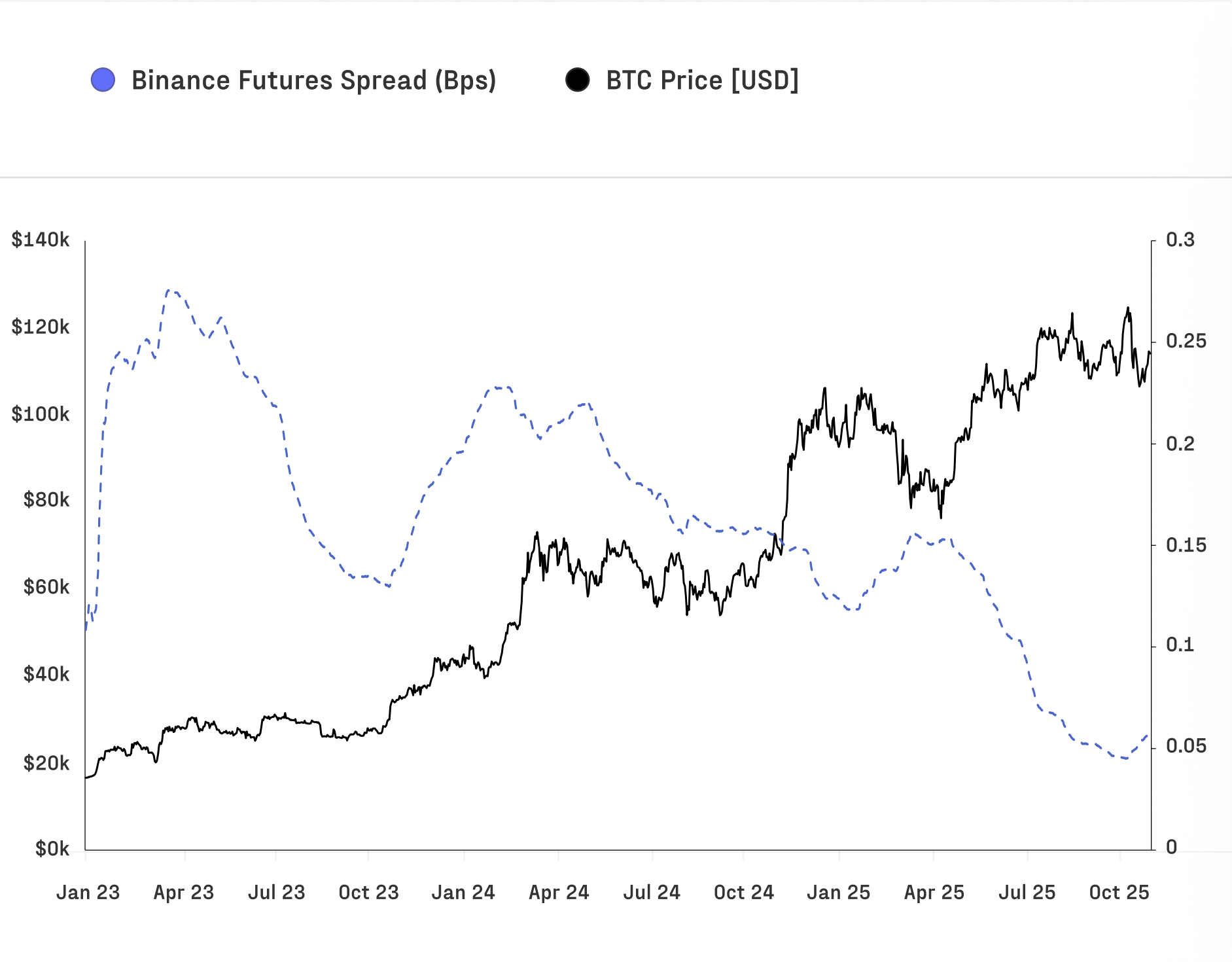
derivatives liquidity became more efficient, and funding conditions stabilized.

Despite this structural decline, futures spreads still react to short-term price swings, especially during late-2024 rallies, indicating that perpetual markets continue to embed risk premia linked to inventory management and directional flow.

Overall, the chart shows a transition from a leverage-driven, high-premia regime to a lower-spread, more mature derivatives environment, though temporary dislocations remain likely around macro events and funding shifts.

Binance Futures Market Depth for a \$100k Market Order

Data Source: Fasanara Digital



"Periods of heightened market volatility are natural stress tests for any trading venue. They challenge the infrastructure, governance, and design principles that underpin a fair and orderly marketplace. It is imperative that CEXs are built for fairness, transparency, and resilience - not only when markets are stable, but also when conditions are more dynamic. Clients should never have to compromise on integrity, orderliness, or fairness, regardless of market environment."

Usman Naeem

Global Head of Derivative Sales and Agency Trading, Coinbase

US ETFs AUM

ETFs now hold 1.36M BTC, solidifying Bitcoin’s place in institutional portfolios.

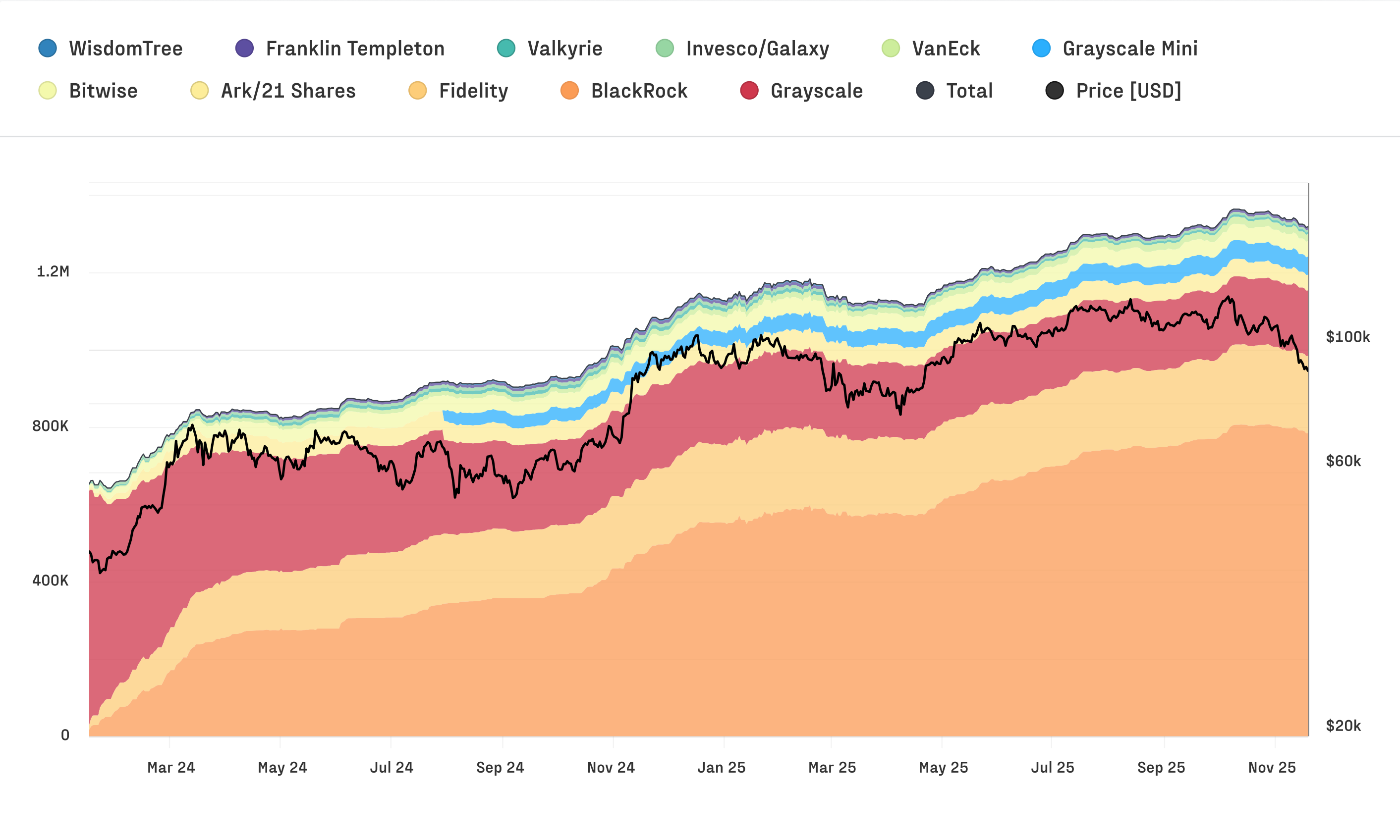
On January 10th, 2024, the approval of the first U.S. spot Bitcoin ETFs marked a watershed moment for digital assets, bridging traditional finance with the on-chain economy. These vehicles provide institutional investors with regulated, brokerage-accessible exposure to Bitcoin, significantly lowering operational and custody barriers to entry.

Institutional demand since launch has been exceptional. The total assets under management (AUM) across all U.S. spot Bitcoin ETFs has recently surged to \$168B, representing approximately 1.36M BTC, or ~6.9% of the circulating Bitcoin supply.

This expansion underscores the growing integration of Bitcoin within institutional portfolios and highlights the pivotal role ETFs now play in shaping market structure, liquidity, and long-term capital flows.

Bitcoin: US Spot ETF Balances [BTC]

Data Source: Glassnode



US ETFs Volume

ETF trading surpasses \$9B per, a new record day in October, turning Wall Street into Bitcoin’s new arena.

The launch of U.S. spot Bitcoin ETFs has opened a new gateway for traditional finance participants, extending Bitcoin’s spot market activity beyond crypto-native exchanges to conventional brokerage platforms.

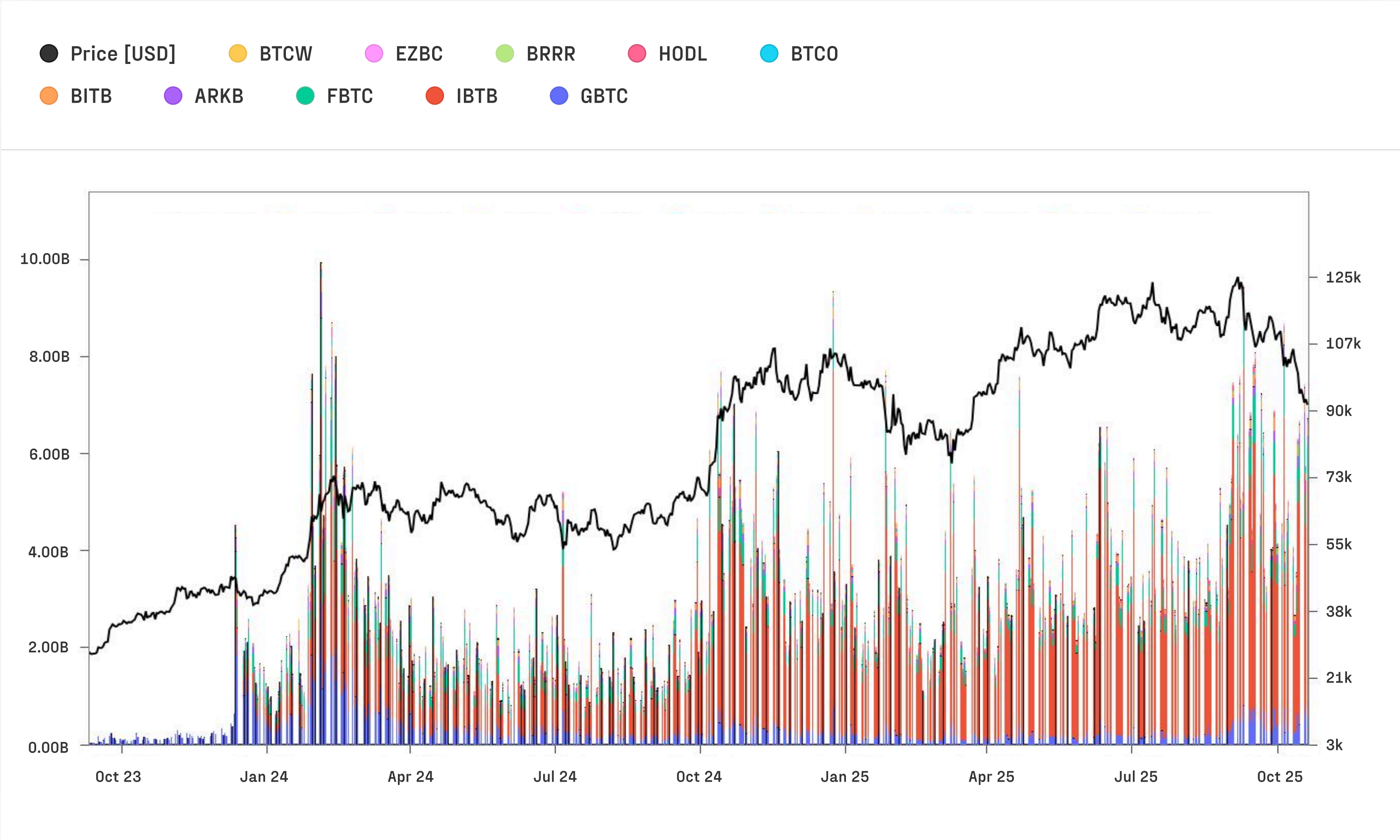
Since their debut, baseline daily trading volumes have grown steadily from below \$1B to over \$5B, in tandem with the rapid expansion of ETF AUM; signaling a constructive deepening of institutional liquidity within the spot market.

This influence is particularly evident during key market inflection points: ETF trading activity has consistently accelerated at the early stages of rallies and moderated during corrective phases, underscoring the central role of ETF flows in shaping price discovery and sentiment throughout this cycle.

Most recently, ETF trading volumes reached a new all-time high above \$9B per day in the aftermath of the October 10th deleveraging event, with BlackRock’s IBIT accounting for \$6.9B of total turnover—reflecting renewed institutional conviction amid heightened volatility.

Bitcoin: ETF index Price & Volume

Data Source: Checkonchain



US ETF Capital Flow

Spot ETFs now capture over ~5% of Bitcoin inflows marking a new era of institutional dominance.

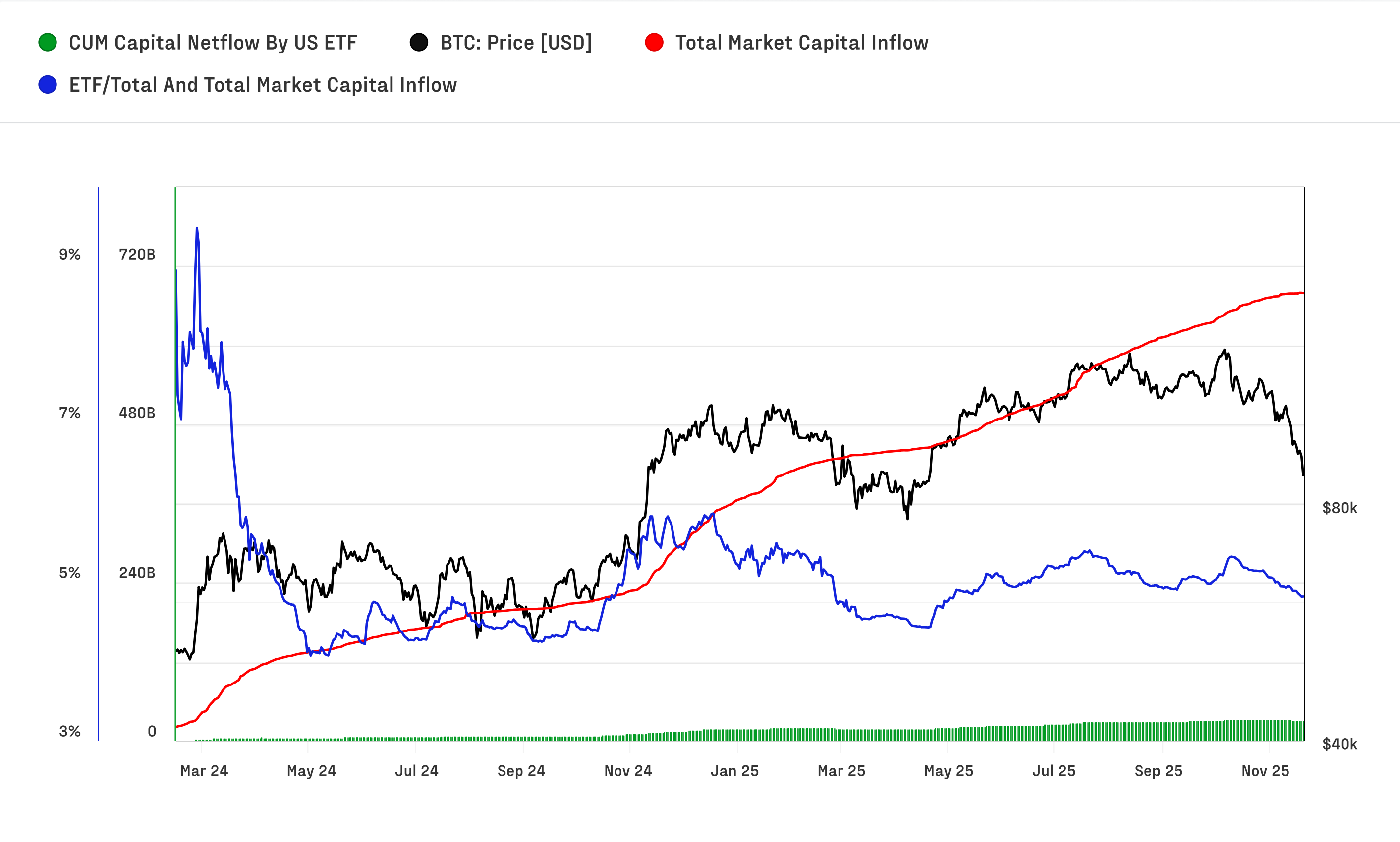
By comparing the cumulative capital invested in U.S. spot ETFs with the net capital inflows into Bitcoin, we can estimate the proportion of market-wide demand directly attributable to ETF activity.

Since their launch, the Bitcoin market has experienced an aggregate net capital inflow of approximately \$661B. Of this total, around 5.2% can be linked to coins acquired through spot ETF products, a share that mirrors their 6–7% ownership of total circulating supply.

Achieving such dominance in capital inflows within less than two years is remarkable, underscoring the strong institutional appetite and accelerating acceptance of Bitcoin as a global macro asset class. The data highlight how ETFs have not only broadened investor access but also become a structural pillar of market liquidity and price formation.

Bitcoin: ETF Capital Inflow

Data Source: Glassnode



Active Entities

On-chain activity cools as ETF trading pulls participants off-chain.

A widely used framework to assess network adoption trends for Bitcoin is the Active Entities metric, which provides a proxy for the number of unique participants transacting on-chain each day. This metric serves as a refined alternative to Active Addresses, leveraging Glassnode’s proprietary clustering algorithms to group multiple addresses likely controlled by the same entity.

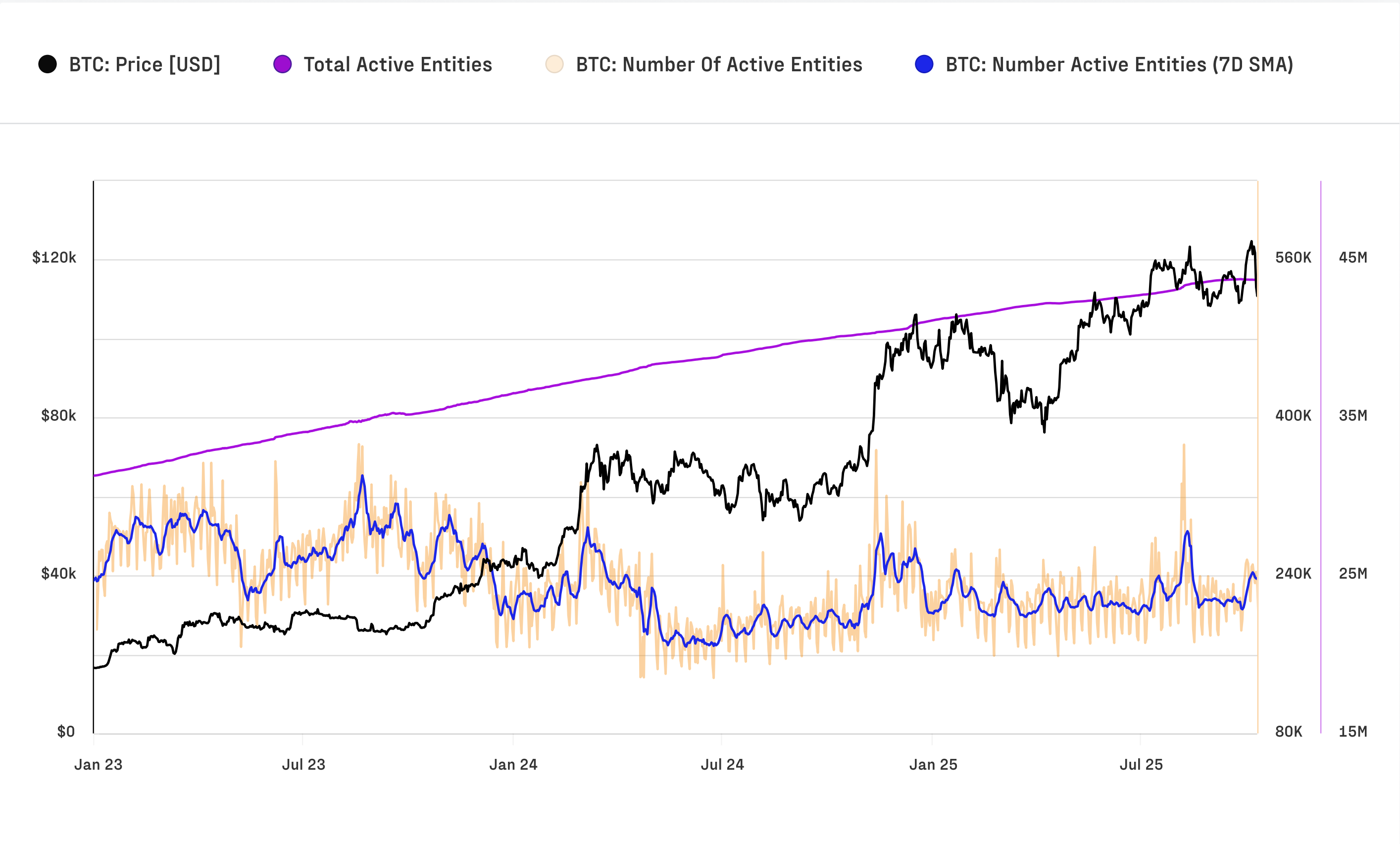
Historically, Active Entities tend to expand during sustained bull markets and spike sharply during capitulation events. In contrast, during consolidation phases or institutional transitions, activity often migrates off-chain.

Following the approval of U.S. spot ETFs, daily active entities declined from the prior baseline of ~240k to around ~170k per day, marking a clear structural shift.

While brief volatility-driven spikes have occurred, activity remains below the previous cycle’s low band, reflecting the migration of speculative and trading activity to off-chain venues, particularly ETF and brokerage platforms that now dominate retail and institutional engagement

Bitcoin: Active & Total Entities

Data Source: Glassnode



Settlement Volume Comparison

Bitcoin’s settlement volume now rivals Visa & Mastercard.

One of Bitcoin’s defining value propositions lies in its ability to settle value globally and trustlessly, without reliance on intermediaries such as banks or payment networks. This feature positions Bitcoin as both a monetary network and settlement layer, operating independently of traditional financial infrastructure.

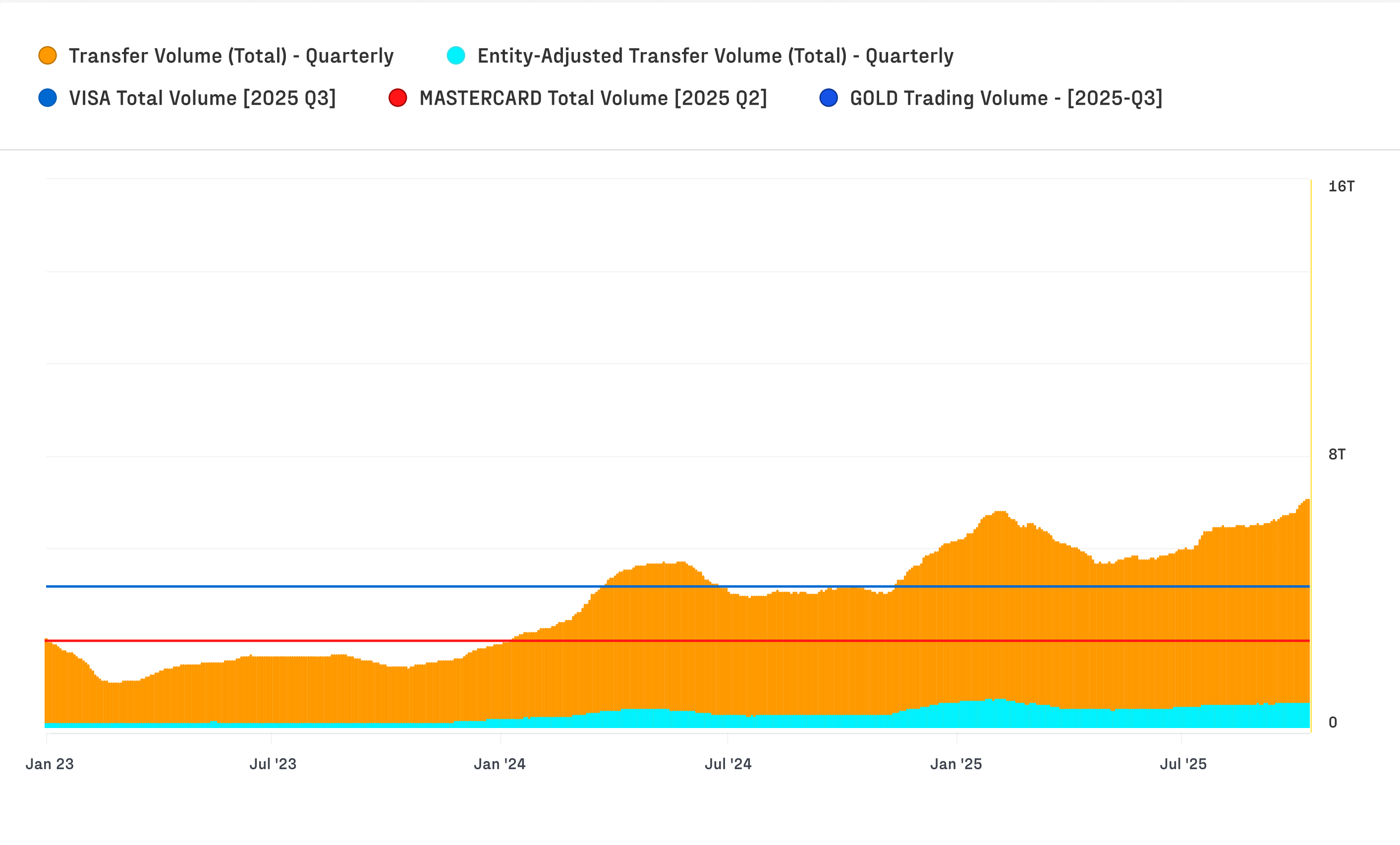
Over the last 90 days, Bitcoin has processed approximately \$6.9T in total settlement volume, surpassing the throughput of traditional processors such as Visa (\$4.25T) and Mastercard (\$2.63T) during the same period.

When adjusted using Glassnode’s proprietary entity-adjusted heuristics (which filter out internal transfers between addresses controlled by the same entity) the economic settlement volume remains around \$0.87T per quarter, or roughly \$7.8B per day.

This figure, comparable to daily spot trading activity, underscores Bitcoin’s continued role as a globally relevant settlement network, bridging both institutional and retail transaction flows.

Bitcoin: Transfer Volumes Comparison

Data Source: Glassnode



Top Stablecoins Supplies

Top stablecoins supply hit a record \$263B, reinforcing the growing dollarization of the crypto market.

Beyond the migration of trading activity from on-chain to off-chain venues, one of the defining trends of this cycle has been the persistent expansion of stablecoin supply across major networks.

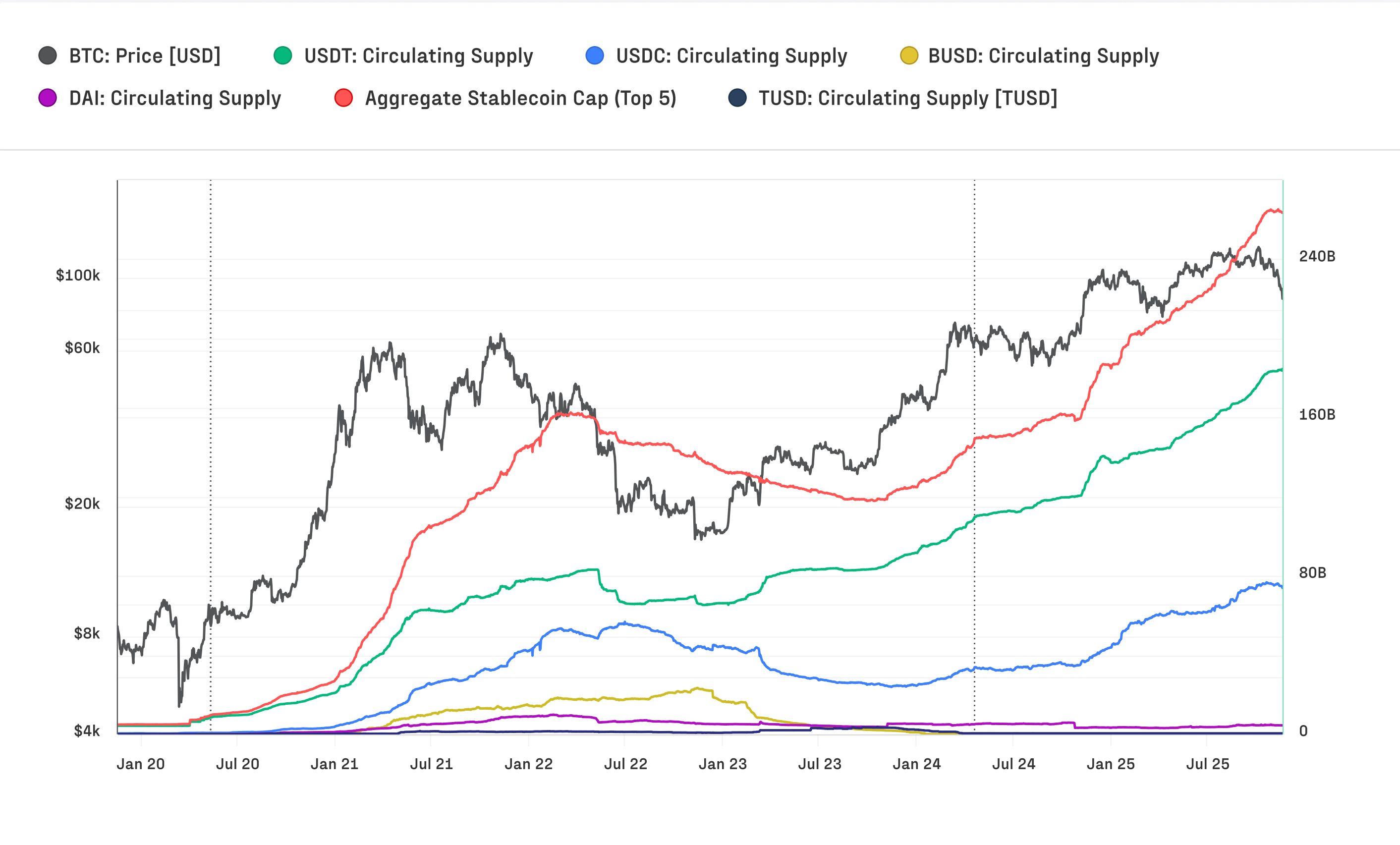
The aggregated circulating supply of the top five stablecoins has now reached a new all-time high of \$263B, underscoring their growing role as the primary medium of exchange and collateral within the broader digital asset ecosystem.

Among these, USDT accounts for approximately \$184B (~70%), while USDC represents \$74B (~28%), together commanding the vast majority of total stablecoin liquidity. Both are primarily backed by U.S. dollar-denominated assets, such as short-term Treasury securities and cash reserves, held in segregated accounts with regulated U.S. financial institutions.

This continued growth signals the deepening dollarization of the crypto economy, where stablecoins increasingly underpin trading, settlement, and cross-border value transfer within both DeFi and centralized platforms.

Stablecoins: Aggregate Supplies

Data Source: Glassnode



Top Stablecoins Transfer Volume

Stablecoins now move nearly ~\$225B a day, the backbone of liquidity in digital markets.

Alongside the expanding stablecoin supply, transfer activity has accelerated markedly this cycle, with transaction volumes showing sharp surges at the onset of each major market rally. This recurring pattern highlights the pivotal role of stablecoins in settlement and liquidity provision, particularly during euphoric phases when speculative demand intensifies and market participants rotate capital rapidly across venues.

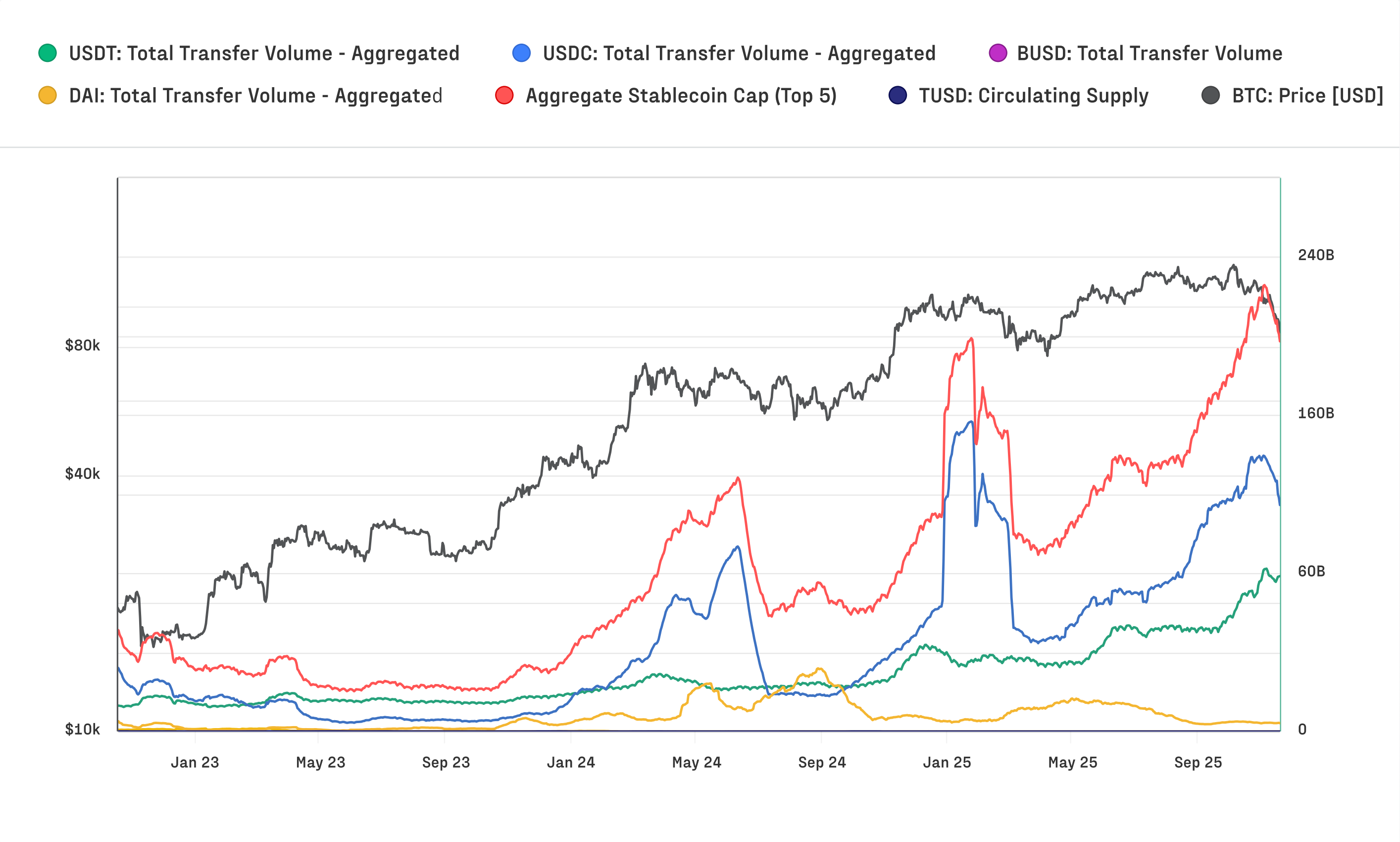
The 30-day moving average of aggregated transfer volume for the top five stablecoins recently reached \$225.6B per day. Of this total, USDC accounts for \$139.1B (~62%), while USDT represents \$82.1B (~36%).

When adjusted for circulating supply, USDC exhibits a significantly higher transaction velocity, suggesting its stronger adoption in institutional and DeFi-related settlement flows.

Stablecoins thus remain the backbone of intra-market capital mobility, enabling frictionless settlement and serving as the bridge between crypto-native and traditional financial systems.

Stablecoins: Aggregate Transfer Volume

Data Source: Glassnode



Tokenization

Tokenised assets surged from \$7B to \$24B, marking their strongest year of institutional adoption yet.

The tokenisation of real-world assets (RWA) has accelerated sharply through 2025, with the total value of tokenised assets increasing more than threefold, rising from \$7B to \$24B over the past 12 months. This growth reflects not only expanding scale but also increasing diversity across asset types.

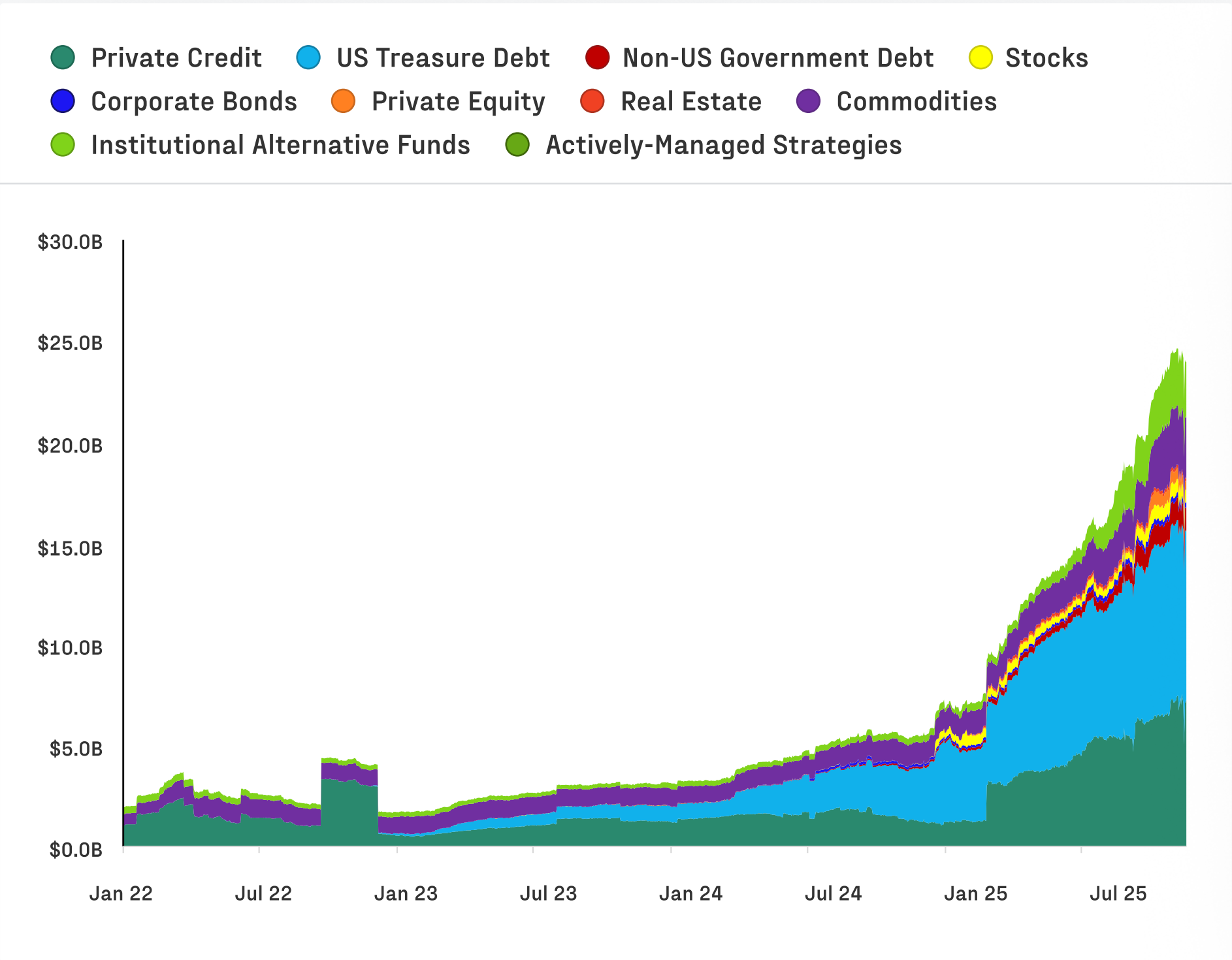
A key advantage of tokenised assets is their low correlation to traditional crypto markets. Whereas DeFi historically relied on volatile, crypto-native collateral, the introduction of uncorrelated tokenised underlyings has meaningfully increased the stability of on-chain financial systems. These assets enhance collateral quality, broaden yield opportunities, and drive fee revenue across the DeFi stack.

Ethereum continues to dominate as the settlement layer for tokenisation, hosting roughly \$11.5B of the total value outstanding. The largest single product remains BlackRock’s BUIDL, now at \$2.3B, more than quadrupling year-to-date and setting the benchmark for on-chain institutional-grade assets.

Among the fastest-growing categories in 2025 is tokenised funds, which offer new distribution channels for asset managers and unlock access for previously underserved investor segments. This development highlights tokenisation’s evolution from niche experimentation to a mainstream financial rail, enabling more efficient capital flows across traditional and decentralized markets.

Tokenization Market Breakdown

Data Source: DeFi Llama



"Our role as vault curators is exclusively to protect the users and lenders in onchain repo markets. Finding suitable sources of yield without compromising on liquidity or risk is a challenge, and we are very satisfied with Fasanara's execution of tokenising their private credit funds with mF-ONE so far. Diversification in a crypto repo context works and the Midas and Fasanara teams have shown enormous willingness to make changes to their product to improve its compatibility with fast-moving DeFi repo markets."

Adrian Cachinero Vasiljevic

Co-Founder & Partner,
Steakhouse Financial

VC Funding

VC flows mirrored altcoin cycles — but Polymarket’s \$2B raise defined the year’s standout bet.

Venture investment activity remains closely aligned with the trajectory of the altcoin market, reflecting the long-dated, high-risk nature of private market trades. As in previous cycles, the largest capital inflows continue to concentrate in established, high-profile sectors such as exchanges, core infrastructure, and scaling solutions. The most notable raise of the year was Polymarket’s \$2B financing round, positioning it as the leading all-purpose, on-chain prediction market.

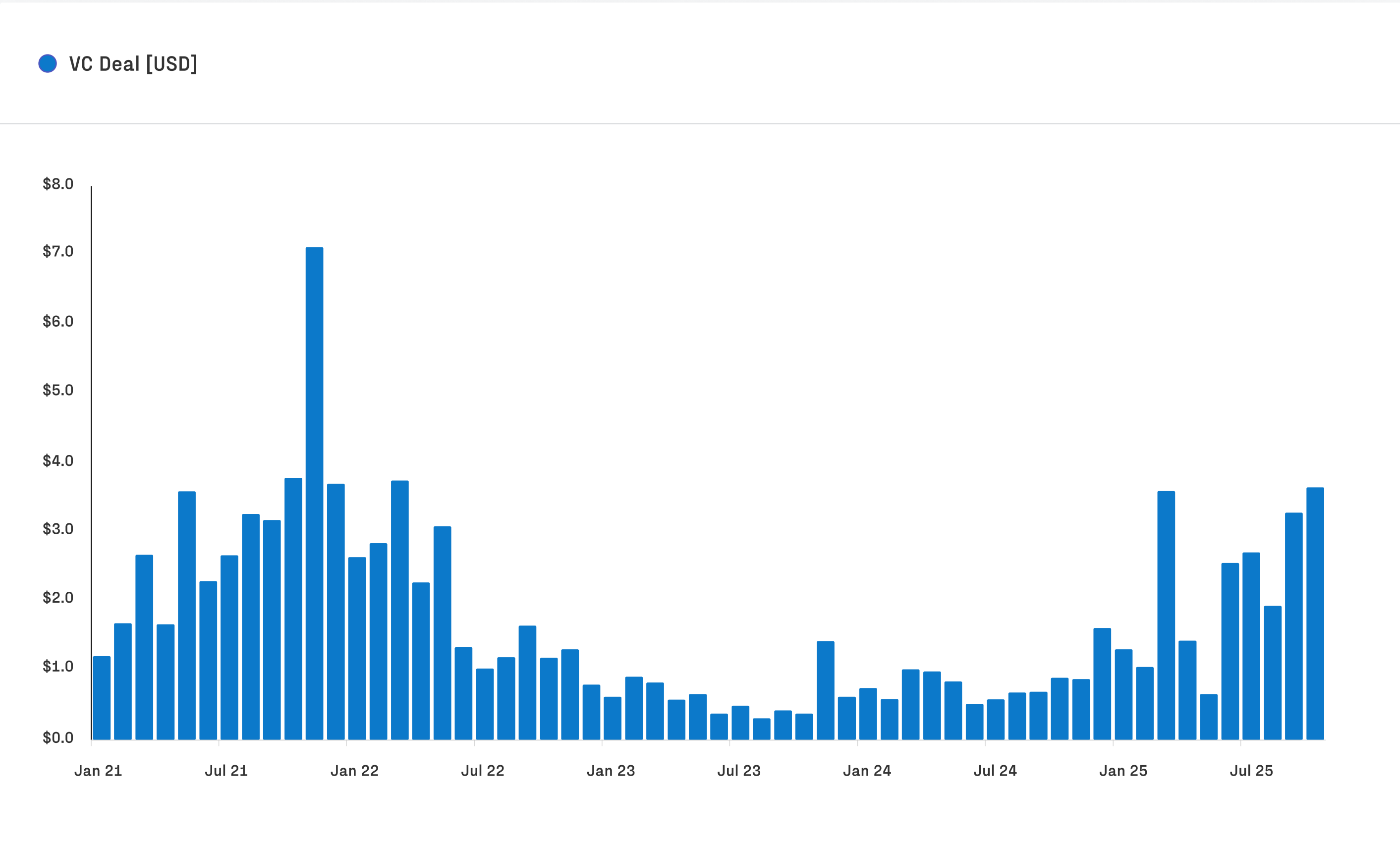
The mid-stage landscape—primarily Seed and Series A rounds—has been dominated by projects in DeFi, infrastructure, AI, zero-knowledge systems, and digital identity.

These sectors have consistently secured funding throughout the year, underscoring persistent investor interest in enhancing privacy, improving capital efficiency, and building technological foundations capable of replacing elements of TradFi in a retail-facing environment.

At the early stage, Gaming and Social projects have seen a high number of raises but generally at smaller ticket sizes, largely concentrated in Pre-Seed and Seed rounds. This pattern reflects a sector still searching for a breakout model: despite strong narrative presence, few projects have achieved meaningful traction or revenue, and none have reached clear escape velocity.

Total VC Deals

Data Source: DeFi Llama



Exchanges & Treasuries

With 6.7M BTC held across ETFs, exchanges, and treasuries, Bitcoin has entered its institutional supply era.

A defining feature of this cycle has been the rapid accumulation of Bitcoin across centralized and decentralized treasuries, now totaling roughly 6.7M BTC. This marks one of the most significant structural shifts in Bitcoin’s ownership, driven by institutional adoption and the growth of regulated investment vehicles.

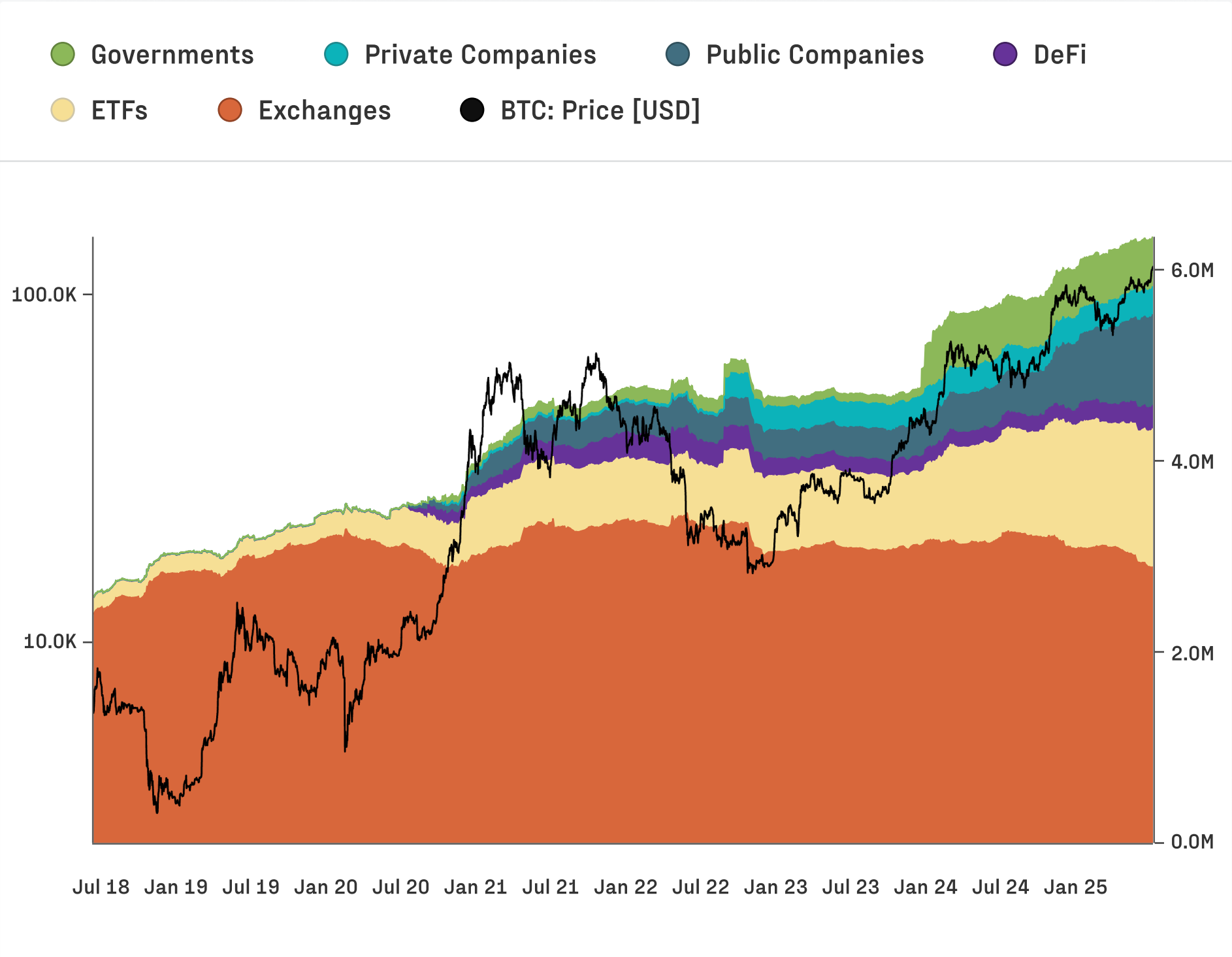
Since early 2024, ETFs have consolidated ~1.5M BTC, becoming a major destination for supply migration. Over the same period, centralized exchange balances declined to 2.9M BTC, while DeFi (WBTC) increased slightly to 0.38M BTC, illustrating a clear shift from crypto-native venues toward regulated, brokerage-based access points.

Corporate adoption has also accelerated. Public company treasuries now hold around 1.1M BTC, while private firms and institutional entities hold an estimated 0.28M BTC, underscoring Bitcoin’s expanding role as a strategic balance-sheet asset.

Together, these trends highlight a substantial redistribution of supply across ETFs, exchanges, DeFi wrappers, and corporate treasuries—signaling Bitcoin’s deepening integration into institutional portfolios and modern financial infrastructure.

Bitcoin: Treasury Holdings by Entity Type

Data Source: Glassnode



“The structural bid for digital assets has fundamentally changed. What began with ETF inflows has now expanded into a broader institutional rail: public-market crypto equities are emerging as a new channel of capital formation for the entire asset class. As we saw in 2025, Wall Street’s access points into crypto have multiplied, deepening liquidity and introducing persistent, long-duration demand for tokens.”

Stephen Mackintosh
Chief Investment Officer
Sui Group Holdings

Off Exchange Settlement Solutions

From \$161B in August to record October settlements, ClearLoop became the backbone of institutional crypto trading.

ClearLoop continued to demonstrate its operational strength throughout several high-volatility periods this year, including the Bybit hack in February and the sharp October liquidation event. These episodes effectively served as real-world stress tests, showcasing ClearLoop’s ability to provide uninterrupted settlement, maintain client activity, and facilitate rapid position adjustments without exposing traders to exchange counterparty risk.

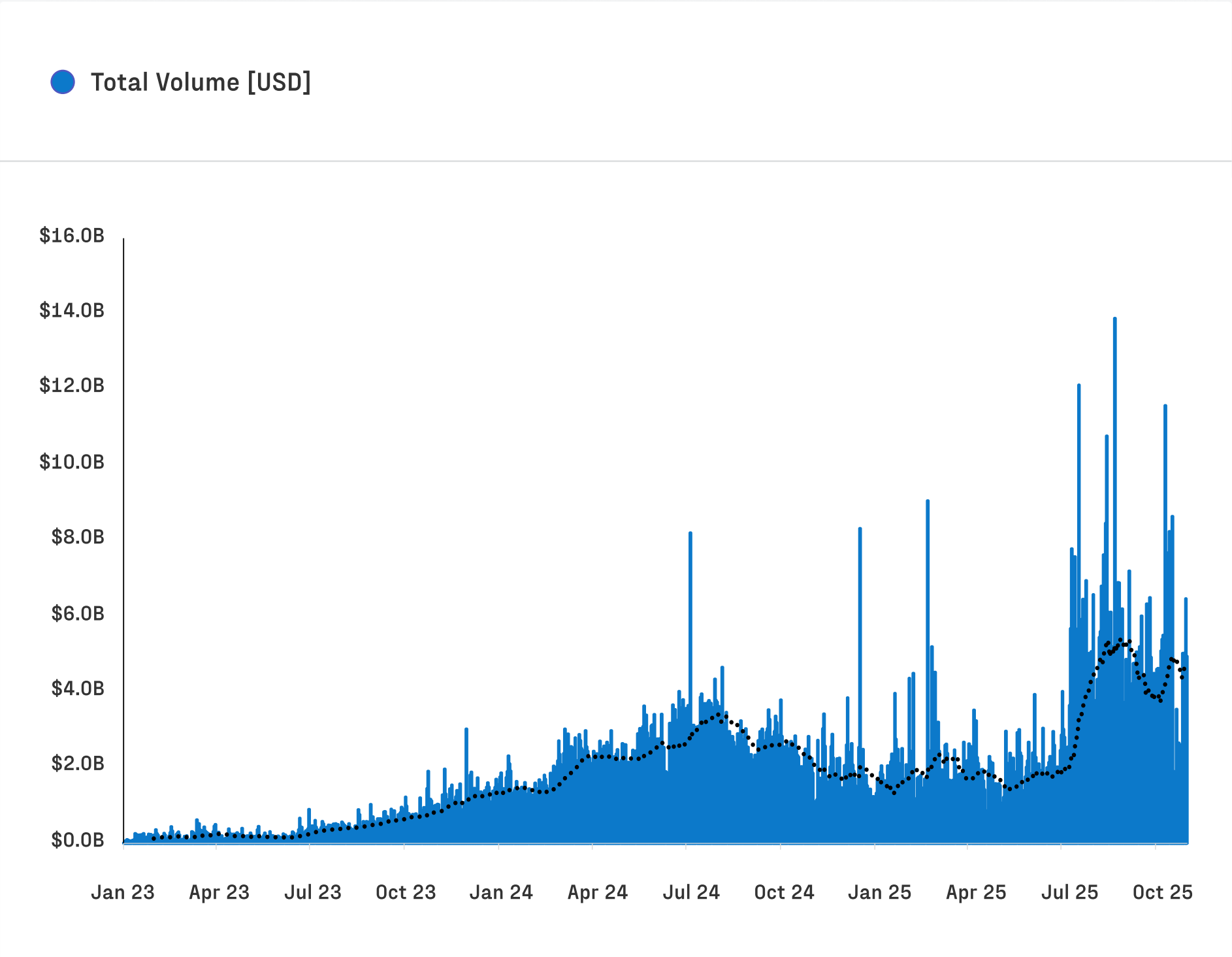
Activity through ClearLoop accelerated meaningfully over the course of the year. In August, the platform reached new all-time highs with \$161B in notional traded volume and 119M executed trades—more than double the start of 2025.

Following the October disruption, client behavior underscored ClearLoop’s importance in volatile environments: \$1.8B in collateral was moved through the system in a single episode, a tenfold increase compared to earlier in the year.

Gross dollar settlements climbed to \$9.2B in October, marking a 60% increase over the previous peak, while the largest single-day settlement volume expanded by 2.7×. Between October 10 and 12, ClearLoop issued over 70 margin calls, totaling more than \$1B in collateral, the highest volume recorded to date. These mechanisms enabled clients to adjust exposures quickly, maintain orderly trading flows, and navigate extreme market volatility without operational friction.

Clearloop Daily Trading Volume

Data Source: Copper



"ClearLoop's approach to off-exchange settlement has quickly become an institutional standard, empowering clients with resilient asset protection and maximizing capital efficiency. This continual wave of institutional adoption reflects rising demand for innovative digital infrastructure that delivers operational agility and confidence. During October's major liquidity event, ClearLoop allowed clients to operate securely and settle trades rapidly, even as many market venues faced disruption, underscoring the impact of robust, client-first solutions for institutional digital assets."

Amar Kuchinad
Group CEO, Copper

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Exchange balances presented are derived from Glassnode's comprehensive database of address labels, which are amassed through both officially published exchange information and proprietary clustering algorithms. While we strive to ensure the utmost accuracy in representing exchange balances, it is important to note that these figures might not always encapsulate the entirety of an exchange's reserves, particularly when exchanges refrain from disclosing their official addresses. We urge users to exercise caution and discretion when utilizing these metrics. Glassnode shall not be held responsible for any discrepancies or potential inaccuracies. [Please read our Transparency Notice when using exchange data.](#)"

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