

Caleb & Brown

Crypto Brokerage

Inside the Markets

October 2025

'Redtember' makes way for 'Uptober' as BTC breaks above US\$114k

Crypto's recent upward momentum slowed throughout September on U.S. economic uncertainty and the liquidation of billions of dollars worth of crypto positions. While further U.S. rate cuts could see liquidity move down the risk curve in Q4, risk assets, particularly altcoins, are searching for clarity on the Fed's direction. Stronger-than-forecast jobs and inflation data is causing concern that a rate-cutting agenda that spans into 2026 may not materialise.

Keep reading for the key catalysts shaping crypto in October.

BTC Snapshot

12-month high \$124,128
12-month low \$57,049
Price (2 Oct 2025) \$118,351

Key Market Metrics

BTC Dominance 59.11%
ETH Price \$4,356
Total Crypto Market Cap \$4.16T
Alt-Coin Market Cap \$1.79T

U.S. rate cuts, jobs and inflation ruled TradFi in September

The S&P 500, Nasdaq and Dow Jones rose to new all-time highs throughout September on the expectation of the September 17 rate cut and likelihood that a further 25-basis-point cut will be delivered at the Federal Open Market Committee's (FOMC's) October 29 meeting. The upward momentum slowed on September 23, when Federal Reserve Chair Jerome Powell stated that U.S. stocks are ['highly valued'](#), and the Fed is in a ['challenging situation'](#) as it tries to balance its dual mandate of keeping inflation and unemployment within the target ranges. There is currently a [96.7%](#) chance that the Fed will lower the target rate to 3.75% to 4% on October 29.

Following the U.S. Bureau of Labour Statistics' downward revision on new jobs by [911,000](#), for the 12 months to 30 March 2025, further labour market weakness was to be expected. However, key data releases to end September pointed toward strength and potential economic expansion. The core consumer price index (CPI) and the core personal consumption expenditures (PCE) index, the Fed's preferred inflation gauge, came in at [2.9%](#) and [2.7%](#), respectively, for the 12 months to 30 August 2025. Further, Q2 GDP was revised higher to [3.8%](#), the flash manufacturing PMI came in at [52](#), and unemployment claims were [15,000 below forecast](#) in the final week of September. This indicates [business cycle expansion could slowly be starting](#), which is typically bullish for risk assets.

"Near-term risks to inflation are tilted to the upside and risks to employment to the downside — a challenging situation. Two-sided risks mean that there is no risk-free path."

- [Jerome Powell, Chair, Federal Reserve](#)

In response to macroeconomic uncertainty, gold continues to gain, reaching multiple all-time highs throughout September, as the U.S. dollar weakens. For the year to date, gold is up [46%](#), while the U.S. dollar has had its worst year since the end of the Bretton Woods system in 1973, declining by almost 10%. Unlike previous periods in economic history, gold and the S&P 500 are both in record bull runs. Bitcoin has also made significant gains as gold and risk assets rallied, with a gain of [568%](#) since January 2023. These gains are presumably due to markets getting positioned as the U.S. Federal Reserve begins cutting rates into stagflation.

People who don't own assets with the current [monetary policy backdrop](#) are unable to maintain purchasing power. As a result capital flows to risk assets and gold. Investing in risk assets provides a chance that investment returns will outpace a total 11% loss of purchasing power (8% currency debasement and 3% inflation), while gold and bitcoin are "hard money" that can't be created or devalued based on centralised political and policy decisions.

Across the major indexes, the Nasdaq gained 0.3%, the S&P 500 added 0.4%, and the Dow Jones gained almost 0.2% on the month. While concerns around the Fed's interest rate trajectory caused selling pressure in late September, economic data that indicates expansion shows that there may be further upside for risk assets before the prevailing bull trend reverses. In the near-term, the [U.S. Government shutdown](#) which started at midnight on September 30, due to Republicans and Democrats being unable to come to an agreement on extending funding for federal departments, is causing risk-off sentiment. The last government shutdown occurred in 2018 and lasted 35 days.

The 'September Effect' returned to alts

Small glimpses of altseason emerged in September, with the altcoin season index reaching ['altseason' territory](#) on a handful of occasions before switching back to "bitcoin season" on weak investor sentiment. We expect this trend to continue until there is more certainty over the Fed's longer term policy stance, and Ethereum and bitcoin break recent all-time highs.

The altcoin rallies throughout September were largely driven by growing certainty over the Fed's September 17 rate cut. This also led some market participants to believe that it would be the [catalyst](#) for the major, potentially final, altcoin breakout for this cycle. The recent [US\\$6 billion](#) in leveraged crypto liquidations highlight the importance of not over-positioning trades and spot transactions around major macro events and continuously monitoring a broad range of sentiment indicators.

"Same thing happens all the time... the crypto market is focused on a big breakout, gets levered long ahead of it, it fails at first attempt so everyone gets liquidated... only then does the actual breakout occur, leaving everyone sidelined."

- [Raoul Pal, Founder, Real Vision & Global Macro Investor](#)

While history is not an indicator of future performance, it's important to note that the biggest runs in altcoins haven't occurred until Ethereum reaches a point of overvaluation and bitcoin's dominance falls below 50%. It is only at this point that capital rotates heavily down the risk curve and further liquidity enters the crypto market to spark the ['banana zone'](#), where the crypto market sees record rallies. There is much debate over when, and if, the final rally will occur. Some analysts believe that the [wider altcoin market may continue to sell-off throughout October](#), with a real altcoin rally expected in November. [Others aren't](#) expecting a final rally until 2026 due to delays in the business cycle.

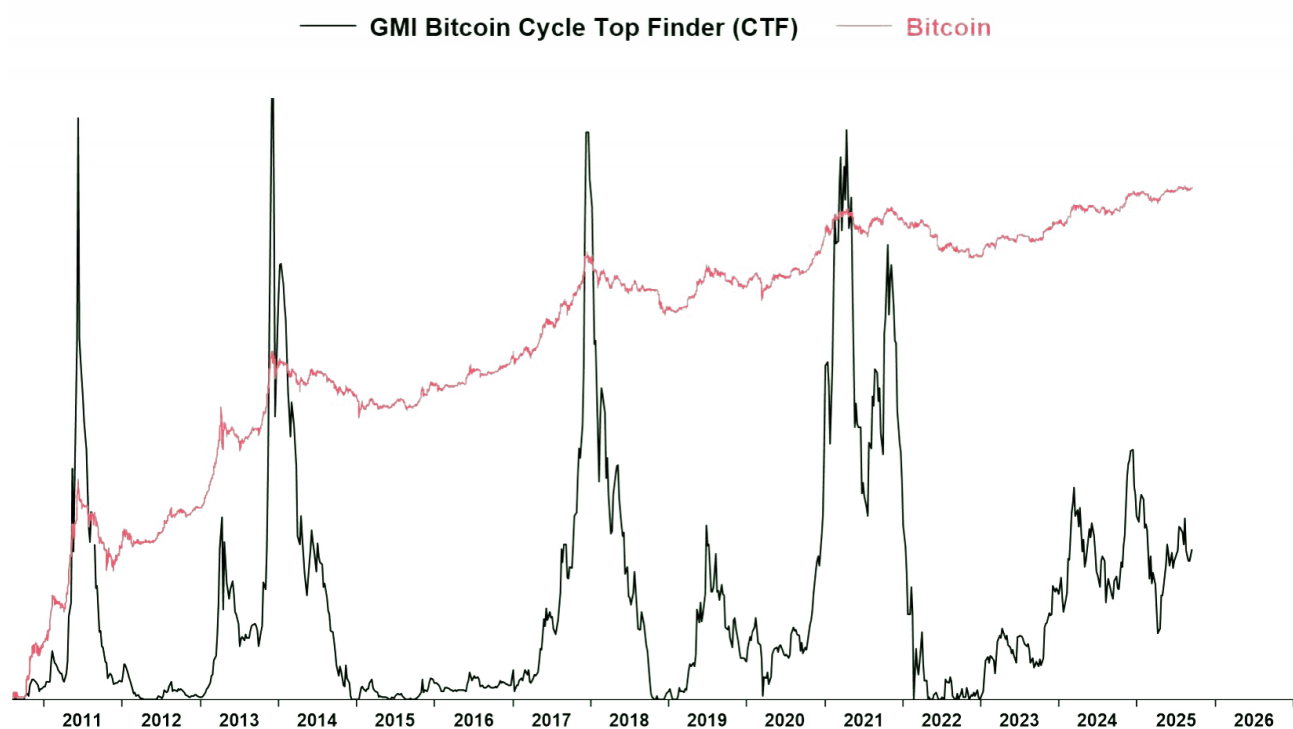
Reviewing market commentary on timing can be helpful to understand broader sentiment, but it's important to have self-identified indicators, price levels, and catalysts that can provide confirmation for your specific investing goals. Further, sometimes the most prudent decision is to sit on one's hands while larger macro factors (and market markers) cause record liquidations.

Bitcoin breaks above US\$114k, sparking 'Uptober' hopes

Opening September at US\$108,247 bitcoin rallied to a monthly high of almost US\$118,000 before selling off on the broader bearish sentiment that emerged following the FOMC's September 17 rate cut. In the week following the rate cut, bitcoin and other cryptocurrencies sold off, while TradFi risk assets rallied. This divergence is attributed to crypto traders and investors expecting further upside from the rate cut rally, placing leveraged long positions that caused significant downside pressure when these were liquidated.

Throughout the late-September sell-off, [US\\$6 billion](#) worth of leveraged positions were liquidated. According to crypto researcher Bull Theory, these liquidation events “[...flush out weak hands and reset the board](#)”. A record [US\\$18 billion](#) bitcoin options expiry on Friday, September 26 added to the sell pressure. Bitcoin declined to US\$110,000 ahead of the options expiry, which was the [max pain point](#) for options traders. A gain of almost 5.5%, which broke US\$114,000 to the upside, to end the month suggests that the recent crypto-specific sell pressure may have lifted.

Being in the late stages of bitcoin's four-year cycle, questioning whether the market has reached a top in recent sell-offs is common. According to Global Macro Investor's [bitcoin cycle top finder](#), there is still a significant amount of upside remaining if the topping patterns seen in previous cycles emerge.

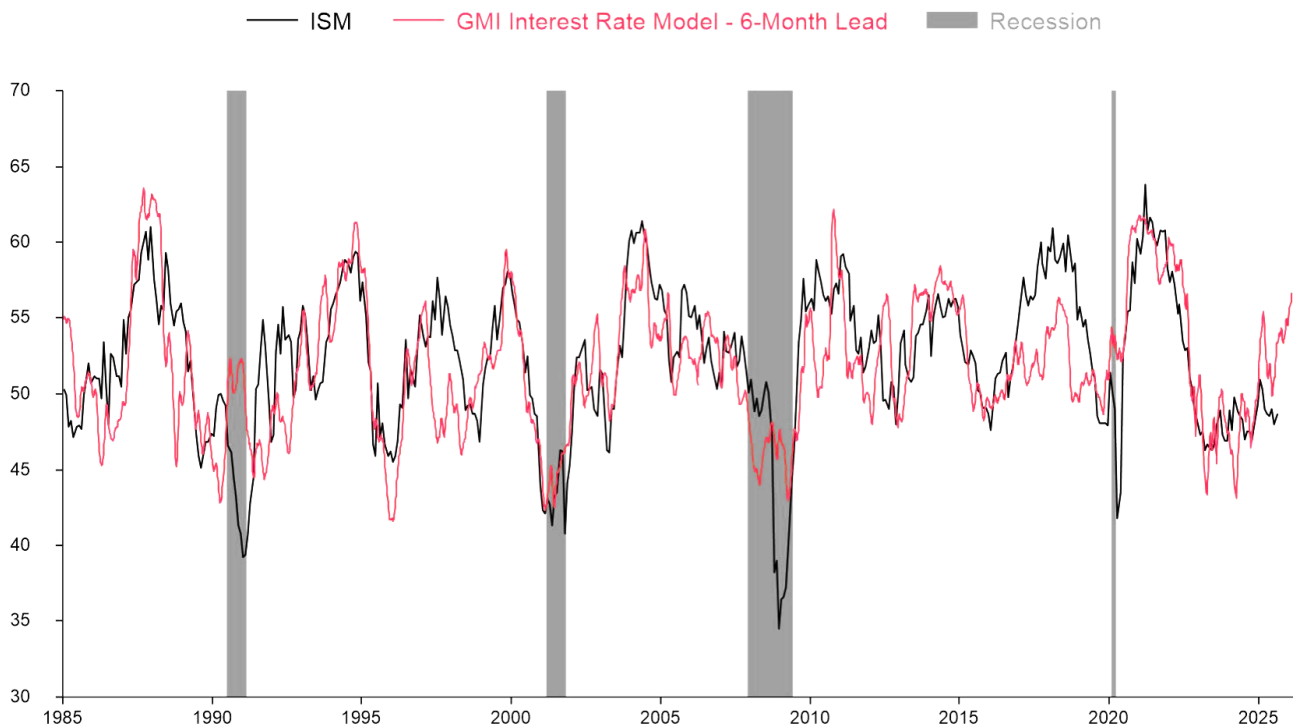


[GMI bitcoin cycle top finder](#). (Source: [Real Vision](#)) Past performance is not a reliable indicator of future results.

“Most people are overcomplicating the idea that bitcoin's traditional four-year cycle can extend. It's simple. If the business cycle extends, the crypto cycle extends. Bitcoin is a macro asset...”

- [Julien Bittel, Head of Macro Research - Global Macro Investor](#)

Further macro forecasts also point to U.S. [interest rate cuts converging with an uptick in the ISM manufacturing index](#). The increased liquidity and credit that comes with lower rates and economic expansion points to further bullish momentum as the catalysts for risk-on sentiment strengthen. And with interest rates and inflation taking time to decline, it supports the theory that the business cycle may extend, which could see bitcoin's traditional four-year cycle lengthen, too.



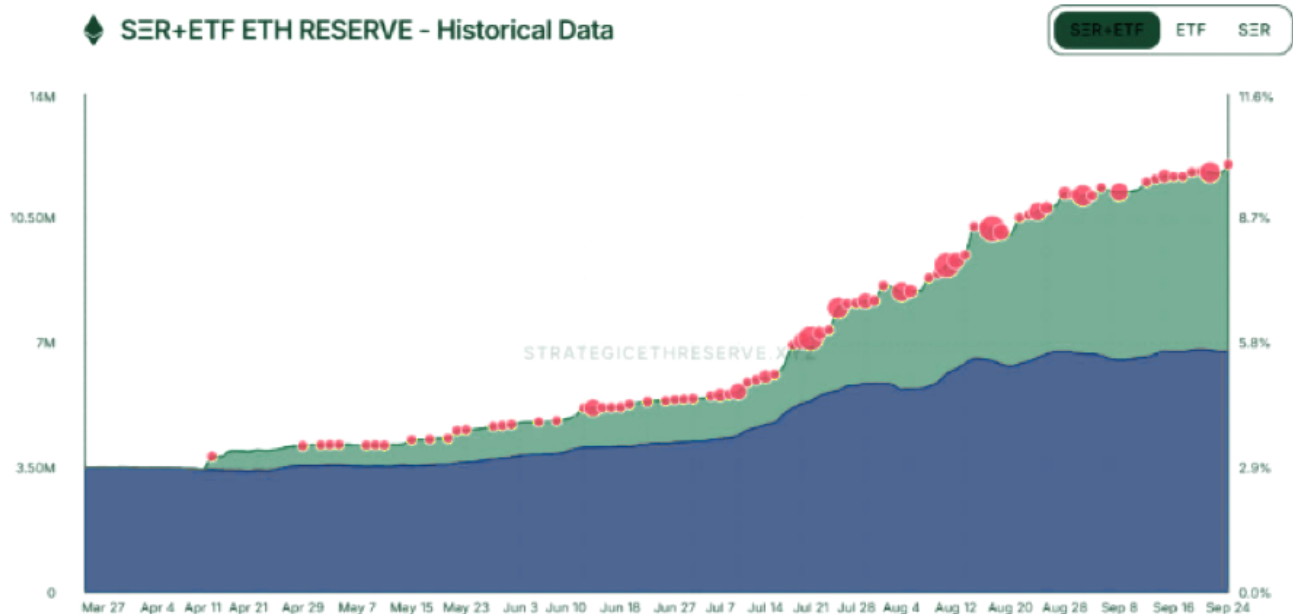
Global Macro Investor Interest Rate Model (6-month lead) vs. ISM

Bitcoin closed September at US\$114,067, escaping the dreaded 'Redtember' with a gain of 5.2% on the month. Despite the gains, bitcoin's price remains below its August all-time high of US\$124,533, presumably due to macroeconomic uncertainty and crypto-specific sell pressures, such as the record liquidation of leveraged positions in the second half of the month. The recent pullback is normal as the crypto market finds support for the next leg of upward momentum, with bitcoin often experiencing [sell-offs of up to 30%](#) throughout the run to a cycle top.

Ethereum retreats from recent all-time high

Opening the month at US\$4,391, Ethereum gained to a monthly high of US\$4,768 on September 13 before breaking down in a sell-off to the key level around US\$3,850 (currently acting as support). [The sell-off](#) was driven by the Fed's cautious stance following its September 17 rate cut, leveraged crypto liquidations, and a growing Ethereum validator exit queue. Within a one-week period from September 9, Ethereum's validator exit queue grew from 617,000 ETH to 2.6 million ETH. The network can process the exit of 57,600 validators per day, with current wait times sitting at [43 days](#). While the wait time helps to maintain stability on the network, the growing queue has added to selling pressure as validators seek to unlock their funds following Ethereum's recent upward momentum.

Ethereum corporate treasuries continued growing throughout September, with large corporations such as BitMine Immersion Technologies and SharpLink Gaming adding to their ETH treasuries. Since April, [almost 70 companies have added 5.3 million Ethereum](#), worth US\$21.7 billion to their corporate treasuries. This equates to 4.3% of supply. Throughout the same period, Ethereum ETFs have accumulated almost 6.8 million ETH, worth US\$28 billion. This is equivalent to 5.6% of total supply, meaning that institutions now hold 10% of Ethereum's supply, in a strong sign of the cryptocurrency's long-term utility amongst TradFi firms.



Institutional Ethereum accumulation April to September 2025. (Source: [StrategicEthReserve](#))

Ethereum closed September at US\$4,146 (-5.6%). While it was a bearish month, in our view, the possibility of an altseason where Ethereum convincingly breaks its August all-time high of US\$4,955 and this level becomes support, is still in play as institutional adoption continues to grow.

Respond, don't react.

While some market commentators were calling for the Fed's September 17 rate cut to be the catalyst for a final parabolic altcoin run, others had been in support of the 'September Effect', where crypto sold off like previous years. It's clear that the latter prevailed, though that doesn't mean a bear market is here. The macro picture — U.S. rate cuts, business cycle expansion, and signs that the recent [labour market contraction may have stabilised](#) — indicate that the economy could be expanding, which is typically bullish for risk assets like crypto.

If you have questions about your portfolio as you navigate Q4, speak to your Caleb & Brown broker about your approach.

October key dates and crypto catalysts

The U.S. Federal Reserve's rate trajectory and global liquidity are expected to influence sentiment in the weeks ahead.

October 29	November 10
FOMC rate decision	U.S.-China trade deal deadline

U.S. trade policy

What's at stake? There were no major developments in trade deals this month, though President Trump [announced](#) a 25% tariff on heavy-duty trucks, 50% levies on kitchen and bathroom cabinets, and a [100% tariff on branded pharmaceuticals](#). The extended deadline for a U.S.-China trade deal is November 10.

What to consider? Expect volatility in risk assets around trade announcements. Engage with your broker to understand how tariff changes may affect your positions.

U.S. Federal Reserve rate decision (October 29)

What's at stake? The next FOMC meeting is on October 29. The meeting minutes will be released on November 20.

What to consider? The U.S. Fed's rate trajectory will affect market sentiment. Discuss potential outcomes with your broker.

Crypto policy and legislation

What's at stake? Following passage of the CLARITY Act in the House, the Senate is considering its own version of crypto market clarity legislation, the [Responsible Financial Innovation Act of 2025](#). The White House is now expecting [passage of the Act by year-end](#).

The [Securities Clarity Act](#) was reintroduced to the House and referred to the House Committee on Financial Services on March 26. It remains before the Committee at the time of writing.

The [Lummis Crypto Tax Bill](#) was introduced in the Senate on July 3. Senator Lummis also introduced the [21st Century Mortgage Act](#), a bill that would allow financial institutions to include a mortgage applicant's crypto holdings in the assessment process. Both bills remain before the Senate for consideration.

[State-based crypto legislation](#) is before Congress in several U.S. states. [Michigan's crypto and bitcoin reserve bill](#) advanced to the House Government Operations Committee on September 18.

What to consider? If you're assessing your exposure to stablecoin-related or U.S.-based crypto projects, now may be a good time to reach out to your broker to revisit your strategy.

Need help navigating the markets? Speak with your Caleb & Brown broker to align your portfolio with evolving macro and crypto developments.

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