

# Caleb & Brown

## Crypto Brokerage

Inside the Markets

June 2025

### Further tariff uncertainty and inflation concerns ignite volatility

The start of May saw TradFi and crypto markets recover from April's volatility. Risk assets rallied to new all-time highs or came close to their highs from earlier in 2025. Late May has seen risk return to markets as fresh tariff threats, plus U.S. inflation concerns, cause uncertainty.

Keep reading to understand what's currently impacting crypto markets and what we'll be monitoring in June.

#### BTC Snapshot

12-month high \$111,814  
12-month low \$54,150  
Price (10 June 2025) \$109,507

#### Key Market Metrics

BTC Dominance 64.20%  
ETH Price \$2,760  
Total Crypto Market Cap \$3.57T  
Alt-Coin Market Cap \$1.39T

### The tariff threat, pause and negotiate pattern persists

Trade negotiations between the U.S. and its trading partners continued throughout May. The U.S. and China agreed to a 90-day pause on most levies, while the U.K. and the U.S. reached an agreement. Fresh [tariff threats](#) posed against the European Union (EU) and Apple, plus questions over the [legality of President Trump's tariffs](#), in late May saw risk assets decline. Shortly after the announcement, President Trump extended the EU's negotiation deadline from June 1 to July 9.

While the height of trade tensions seen in April has eased, volatility persists as the pattern of tariff threats, pauses, and negotiations continues to drive markets. Further, without the full inflationary impact of tariffs being understood across the U.S. economy, uncertainty is causing short-term fluctuations. Some traders are capitalising on these fluctuations with the '[TACO trade](#)', where they buy the dip that comes from the threat posed by a tariff announcement and take profit when it is inevitably wound back. Viewing the markets from a longer time horizon also points to a [possible recovery](#).

"The current equity correction is tracking almost perfectly with what we saw back in '98, when markets got hit by the Russian debt default and the LTCM hedge fund blow-up."

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

As outlined in the [chart below](#), previous periods marked by uncertainty have seen long-term upside as liquidity conditions improve, economic data strengthens, and traders and investors buy assets at discounted prices. The S&P 500 had its best May in 30 years, gaining over [6%](#). And since April's lows, the S&P 500 is up 24%, the Nasdaq 100 is up 32%, and Bitcoin is up 41%, emphasising the importance of not reacting to short-term sell-offs.



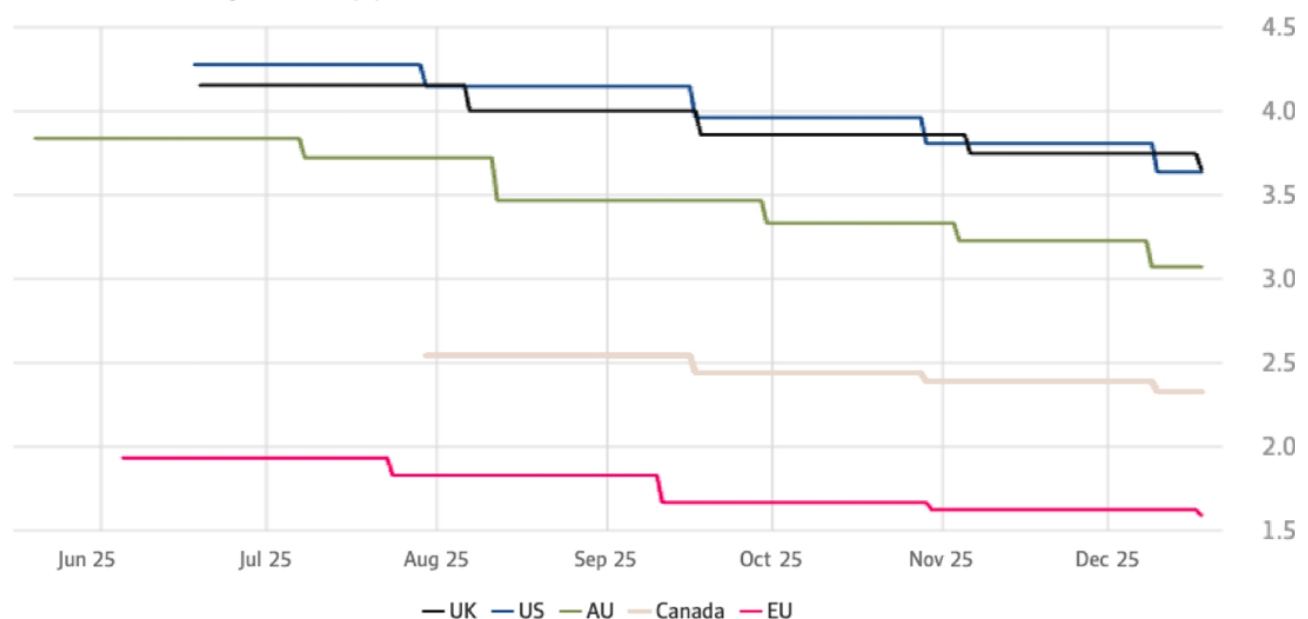
Source: ([Global Macro Investor](#)) Past performance is not a reliable indicator of future results.

## FOMC concerned about unclear U.S. economic outlook

The U.S. Federal Open Market Committee (FOMC) left rates on hold at [4.5%](#) at its May 7 meeting. The meeting minutes, released on May 28, caused risk assets to sell off as the FOMC outlined that there could be 'difficult tradeoffs' should President Trump's tariffs have an inflationary impact, while employment and economic growth slow. FOMC members also outlined that stability in economic growth and the labour market means it can remain cautious until the outlook is clearer.

While the U.S. Federal Reserve is cautious, [other central banks are easing](#), which adds liquidity to markets and typically buoys risk assets. As outlined in the chart below, major Western economies will see lower interest rates throughout the remainder of 2025, provided that inflation stays in each central bank's target range and employment remains steady.

### Central bank rate expectations (%)



(Source: [Australian Financial Review](#); [LSEG](#))

## BTC reaches a new all-time high

Opening May at US\$94,182, bitcoin rallied to reach a new all-time high (ATH) of US\$112,000 on May 22. The rally was presumably driven by easing trade tensions, demand for safe-haven assets, and [record inflows](#) into bitcoin asset investment products.

“I think it is wonderful bitcoin is making ATHs. I am long. I actually think ATHs is not technically significant. Bull markets make ATHs all the time... On track maybe for top of \$125,000 to \$150,000 by end of August????”

- [Peter Brandt - Futures market trader](#)

On the day that bitcoin reached a new ATH, bitcoin ETFs saw [US\\$935 million](#) in inflows, and May's inflows totalled US\$6.4 billion. The following week, Arizona and New Hampshire became the first U.S. states to enact [bitcoin reserves](#). While the legislation differs between states, most bills propose that a portion of state funds be used to invest in bitcoin and other digital assets with a market capitalisation above a certain threshold, typically over US\$500 billion.

Bitcoin closed May up 11.4%, and the chart below suggests that further upside may be ahead.



(Source: [Global Macro Investor](#)) Past performance is not a reliable indicator of future results.

The continuation of strong institutional sentiment, [sovereign wealth funds investing in bitcoin](#), and the passage of bitcoin reserve legislation in some U.S. states suggest that the appetite for BTC remains strong and it's a strategic long-term asset for diverse portfolios, despite current global macroeconomic uncertainties.

## Pectra upgrade buoys Ethereum

Ethereum gained [over 40%](#) after the Pectra Upgrade went live on May 7. Since the update, price traded sideways and then continued towards the US\$2,800 '[break-even zone](#)'. At this level, short-term holders may sell their positions to break even. This could cause short-term volatility if demand isn't strong enough to absorb the extra ETH supply. Despite this short-term risk, [analysts expect](#) that the demand zones around US\$2,330 and US\$2,410 could provide support should a sell-off occur.

## Short-term fluctuations are normal in bull markets

Volatility remains elevated as trade and legislative developments unfold, although less pronounced than earlier in the year. Plus, digital asset investment product inflows for the year to date currently stand at [US\\$11.3 billion](#). Like other times of economic uncertainty, May has shown markets the importance of adopting a long-term investing horizon to withstand the short-term swings.

## June's key dates and crypto catalysts

The U.S. Federal Reserve's rate trajectory, the passage of key legislation and U.S. trade talks are expected to influence sentiment in the weeks ahead.

June 9	June 10	June 18	July 9	August 14
SEC Crypto Roundtable	CLARITY Act Hearing	FOMC Rate Decision	EU Tariff Pause Deadline	China Tariff Pause Deadline

### U.S. trade policy

**What's at stake?** The U.S. continues negotiating with its trading partners. The EU's deadline for its 90-day tariff pause is July 9, while China's deadline is August 14.

**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 (June 18)

**What's at stake?** The Federal Open Market Committee (FOMC) is expected to leave rates on hold at its June 18 meeting. The meeting minutes will be released on July 10.

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

### Upcoming U.S. SEC crypto roundtable discussions

**What's at stake?** The U.S. SEC's third crypto roundtable is on June 9, covering '[DeFi and the American spirit](#)'.

**What to consider?** Speak with your broker about relevant narratives and monitor commentary around the meetings to understand the agency's next focus and proactively manage your positions.

## Crypto legislation

**What's at stake?** Several crypto bills are currently before Congress.

The [Digital Asset Market Clarity \(CLARITY\) Act](#) was introduced to the U.S. House on May 29. The CLARITY Act aims to shift regulatory oversight of most cryptocurrencies from the U.S. SEC to the CFTC as 'digital commodities'. It will be considered by the House Financial Services Committee on June 10.

On May 20, the [GENIUS Act](#) passed a cloture vote, which would send the bill to a Senate floor vote. However, Democrats are proposing [amendments](#) to prohibit President Trump and other parties from profiting off stablecoin and other crypto activities while in office.

The House's stablecoin legislation, the [STABLE Act](#), is eligible for a House floor vote, but it hasn't occurred yet. Debate on the [administration's tax bill](#) has presumably taken priority. The '[big, beautiful bill](#)' narrowly passed the House with a 215-214 vote on May 22.

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.

[State-based crypto legislation](#) is before Congress in several U.S. states. Arizona and Texas are the frontrunners to be the next states to pass crypto reserve legislation.

**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.**