

Caleb & Brown Crypto Brokerage

Inside the Markets

March 2025

Trump's Tariffs, US\$1.4B Bybit Hack, and Trade Uncertainty Shake Markets.

Despite the new crypto-friendly administration in the White House, several factors have caused selling pressure across the crypto and traditional finance markets in recent weeks. From trade tariffs to the US\$1.4 billion Bybit hack, the convergence of global macro developments, plus crypto-specific events, we saw a spike in volatility and a sell-off across risk assets. Although caused by different developments, pullbacks of over 25% aren't a new phenomenon in bull markets.

Keep reading to understand what's impacted crypto markets in recent weeks and what we'll be monitoring in March.

Global macro keeps moving markets

Since bitcoin made a fresh all-time high of US\$109,358 on 20 January, 2025, the cryptocurrency experienced a sell-off of almost 30%, declining to US\$78,167 on 28 February. This is the lowest price BTC has seen since November 2024. Despite BTC's sell-off, institutional interest remains stronger than ever, with BlackRock's iShares Bitcoin Trust (IBIT) now included in its model portfolio offerings. A [1% to 2% share of IBIT](#) will be added to two of the asset management firm's high-risk portfolios.

Ethereum declined by almost 40% throughout February and into the start of March. The cryptocurrency reached a low of US\$2,073 on Friday, 28 February, which is the lowest price for ETH since November 2023. The [Crypto Fear & Greed Index](#) fell from 75 (Greed) in January to 25 (Extreme Fear) on February 25 before declining further to 10 as liquidation pressures intensified.

"Everything happening in markets right now, especially in crypto, is a direct consequence of the tightening of financial conditions in Q4 last year.

...This will all reverse next month."

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

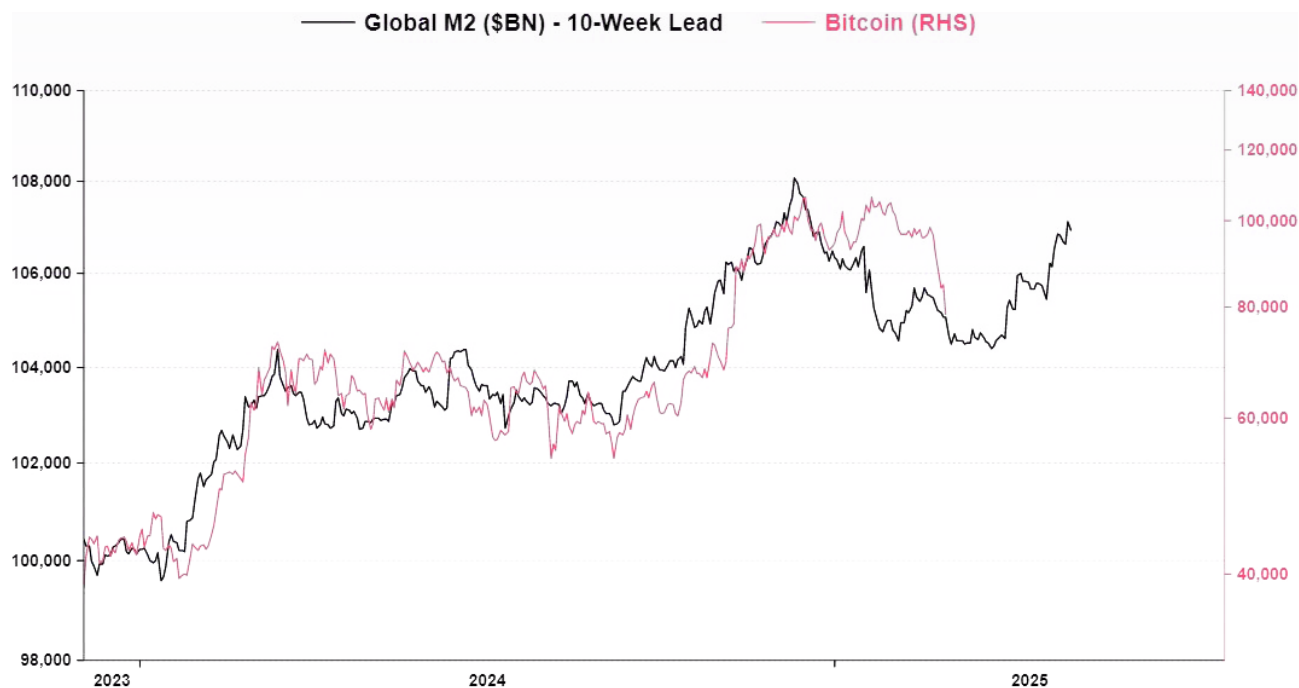
The pullback across the crypto market started with some sideways consolidation before gaining momentum in mid-February when the [U.S. Federal Reserve expressed](#) its ongoing concern about U.S. inflation, especially as President Trump's trade policies will likely have an inflationary effect. While other central banks have delivered rate cuts throughout the beginning of the year, recent policy developments and economic data in the U.S. are giving the Fed valid reason to pause on delivering any further rate cuts for now. Despite U.S. rate cuts likely being on hold, global liquidity continues to climb, and bitcoin's price remains correlated (see chart overleaf).

BTC Snapshot

12-month high \$109,358
12-month low \$54,150
Price (6 Mar 2025) \$92,547

Key Market Metrics

BTC Dominance 58.50%
ETH Price \$2,313
Total Crypto Market Cap \$3.1T
Alt-Coin Market Cap \$1.3T



Source: ([Global Macro Investor](#)).

Adding further fuel to the sell-off in recent weeks was Trump's tariffs policy and geopolitical uncertainty, especially with regard to negotiating an end to the war in Ukraine. Trump's previously announced 25% tariffs on Canada and Mexico commenced on Tuesday, 4 March, an additional [10% tariff on Chinese imports](#) into the U.S. went ahead, plus a [25% tariff](#) on all imports from the European Union has also been threatened. Tariffs are inflationary, which could lead to a stronger U.S. dollar, which may partially explain the headwind for crypto and risk assets.

In response, China has announced reciprocal tariffs on U.S. imports, further exacerbating economic uncertainty. This geopolitical escalation increases the likelihood of prolonged volatility in both traditional and crypto markets. In response, China has announced reciprocal tariffs on U.S. imports, further exacerbating economic uncertainty. This geopolitical escalation increases the likelihood of prolonged volatility in both traditional and crypto markets.

The global macro and geopolitical developments at the end of February coincided with the [US\\$1.4 billion hack of Bybit](#), which was the largest in crypto history, adding to investors' fears, particularly with regard to vulnerabilities in centralised exchanges. The hack has been officially linked to North Korean actors associated with Kim Jong Un's regime. Following the hack, U.S. regulators and international agencies are now discussing stricter security mandates for centralised exchanges, including requiring greater reserves and insurance protections.

“Volatility is the price you pay for the returns...”

- Raoul Pal - Co-Founder and CEO, [Real Vision](#)

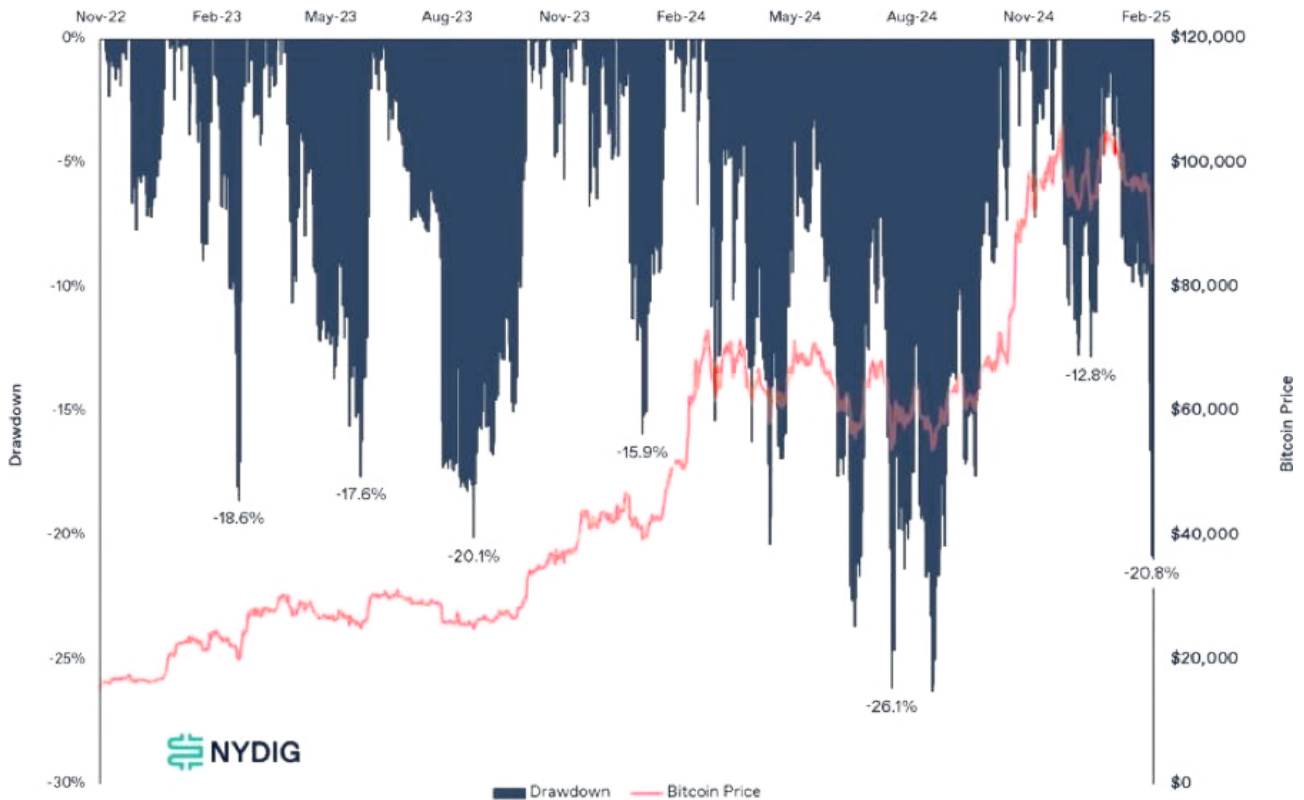
Several macroeconomic, geopolitical and crypto-specific developments have converged in recent weeks, heightening uncertainty. Similar pullbacks have occurred (though driven by different events) in previous cycles. In 2017, bitcoin experienced five pullbacks that were over [28%](#) (see chart overleaf), while some altcoins saw corrections of 65%. While past performance does not indicate future results, the extent of pullbacks before fresh highs in previous cycles emphasises the need to zoom out and look at an asset's long-term price movements.



(Source: Raoul Pal, Co-Founder and CEO, [Real Vision](#))

In the current cycle, bitcoin (and the wider market) has experienced pullbacks before making new highs. Bitcoin, for example, has experienced several [15% to 20%](#) declines from early 2023 to early 2025, indicating that declines of this magnitude are standard for a volatile market like crypto.

Current Cycle Drawdowns



(Source: Miles Deutscher, [Crypto Analyst](#))

U.S. strategic crypto reserve assets announced

On 3 March, Trump announced the crypto assets he plans to include in the country's '[crypto strategic reserve](#)'. He used posts on Truth Social to announce XRP, Solana (SOL), Cardano (ADA), Bitcoin (BTC) and Ethereum (ETH) would be included. Bitcoin and Ethereum gained over 11% and 14%, respectively, on the news. XRP gained 35%, SOL grew by 24%, and ADA soared 68% (see chart below).



“There’s just no discernible logic to do it. I get why the crypto investor would love it. Other than the crypto investor, I don’t see the value, particularly if taxpayers have to ante up.”

- Mark Zandi, Chief Economist, [Moody's Analytics](#)

The development builds on Trump’s executive order (January 23) to establish a crypto working group that will develop a regulatory framework for digital assets. A crypto reserve would see the U.S. acquire crypto, while a stockpile may allocate crypto assets that the government has seized throughout its prosecution efforts. The former would presumably drive more upside momentum across the crypto market.

No official statements about why these five crypto assets were chosen, but the market cap and whether projects have affiliations with the U.S. are potential reasons. XRP, SOL and ADA are some of the highest market cap coins in [CoinMarketCap's 'Made in America'](#) list. Plus, President Trump is considering whether [tax incentives](#) will be offered to U.S.-based crypto projects. If these incentives are implemented, it could encourage buying activity.

U.S. SEC clears slate of previous administration’s crypto cases

The U.S. Securities and Exchange Commission (SEC) continues on its crypto-friendly path. In recent weeks, the agency has officially dismissed or news has surfaced that it plans to dismiss several cases brought against crypto and crypto-related companies (Coinbase, Kraken, Uniswap Labs, Consensus, Robinhood, Opensea). Importantly, the SEC has [cited its efforts](#) to renew its regulatory approach towards the crypto industry as a key reason that cases are not proceeding. This suggests that the agency’s priority is developing clear and consistent regulatory guidelines, which will likely be different to those seen in the previous administration.

What we're monitoring in March

The markets are at an inflection point. Crypto remains in a long-term uptrend despite volatility, but short-term risks (tariffs, Fed caution, regulatory shifts) require smart positioning. Traders should stay defensive but opportunistic – holding strong assets, watching liquidity trends, and being ready to pivot when clarity emerges. History shows that major crypto pullbacks have always been buying opportunities for those with a long-term mindset. Caleb & Brown will continue monitoring key crypto and global macro developments, and provide updates. The next few weeks will be critical in shaping sentiment – stay informed, stay disciplined, and be prepared to act. Caleb & Brown provides the expertise, personalised support, and seamless trade execution to help you navigate these shifts with confidence.

U.S. Trade Policy

What's at stake? Starting April 2, the U.S. will implement reciprocal tariffs on imports from countries with higher tariffs on U.S. goods, adding pressure to global trade. The G7 Foreign Ministers' Meeting (March 12–14) will also address trade policies, economic stability, and geopolitical risks, which could impact market sentiment and liquidity.

What to consider? Crypto markets often react to macroeconomic shifts, and trade policy developments are no exception. Engaging with your broker can provide insights into how these policy changes might affect your crypto positions and discuss strategies to navigate potential market fluctuations.

White House Crypto Summit (March 7)

What's at stake? The crypto strategic reserve announcement spiked BTC, ETH, SOL, ADA, and XRP, but details remain unclear.

What to consider? If further plans are announced or purchases happen, expect another wave of institutional adoption and a major market repricing. Speaking with your broker could provide insights on how to position in response to potential developments.

U.S. Federal Reserve Decision (March 19)

What's at stake? If the Fed holds rates and signals caution, equities and crypto could see more downside. If it hints at cuts in Q2, crypto markets could see a strong rally.

What to consider? Investors often assess liquidity positioning around major Fed decisions. It may be helpful to check in with your broker to discuss potential strategies ahead of the announcement.

G7 Summit (March 22–23)

What's at stake? The G7 meeting will focus on trade tensions, global economic stability, and potential coordination on tariffs.

What to consider? With global trade policies shifting, investors may want to stay informed on how markets react. A discussion with your broker could provide insights into potential scenarios and how crypto markets might respond.