

Caleb & Brown

Crypto Brokerage

Inside the Markets

April 2025

Institutional and whale activity strong despite global macro uncertainty

March saw more tariff developments, a modicum of relief following the U.S. Federal Reserve hinting at [rate cuts](#), and several regulatory developments for the crypto market. While exchange-traded fund (ETF) inflows and whale activity recovered in late March, investors eagerly awaited President Trump's 'Liberation Day' announcement on April 2 to gauge where markets are headed.

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

The Fed's rate trajectory and tariffs seesaw markets

In its March meeting, the U.S. Federal Open Market Committee (FOMC) left rates on hold at [4.5%](#). This decision was expected, but there was some relief when U.S. Federal Reserve Governor Jerome Powell stated that the central bank aims to lower rates by [50 basis points](#) before year-end. By lowering the federal funds rate back towards the country's GDP growth target, the Fed will be able to [roll the government's debt off its balance sheet](#) at or around the trend rate of GDP growth, minimising the risk of defaulting on its debt or needing to raise or [abolish the debt ceiling](#). The Federal Reserve's long-term aim for interest rates is [3.25% to 3.5% by the end of 2026](#), and the long-term economic growth expectation is [1.8%](#).

On April 2, President Trump made his '[Liberation Day](#)' announcement, where a raft of reciprocal tariffs were imposed on U.S. trading partners. China's total tariffs were [54% on all imports](#), before President Trump increased the levy to 145% and reduced other countries' tariffs to 10% less than 14 hours after the new policy took effect. Key [exemptions](#) to the new policy include imports that fall under the United States-Mexico-Canada Agreement (USMCA) and gold and aluminium imports.

U.S. markets were closed on President Trump's April 2 announcement, but the prospect of more tariffs caused [U.S. stock-index futures to decline](#). The S&P 500 and Nasdaq futures were down 1.8% and 2.6%, respectively, on the news, while bitcoin and Ethereum declined by 6% and 5.7%, respectively, before the sell-off deepened. Early trading on Monday, 7 April, saw some of the previous week's losses regained after [comments from Kevin Hassett](#), Director of the U.S. National Economic Council, were misinterpreted to suggest that President Trump would pause the new tariffs for 90 days while negotiations occur. The S&P 500 gained 8.5% on the rumours. The sell-off resumed after the White House denied the rumours, though President Trump's official announcement to [wind back some of the policy](#) around 48 hours later, saw markets swing to the upside again.

While the long-term aim of reinvigorating the U.S. manufacturing industry may help create jobs and fuel economic growth, the short- to medium-term inflationary impacts, market shocks and economic stagnation are driving volatility. As a result, the likelihood of the U.S. Federal Reserve resuming rate cuts from June has risen from [60% to 70%](#), with three 25 basis-point cuts expected by December. This indicates that the Fed may have to be aggressive in counteracting the inflationary impacts of President Trump's trade policy.

BTC Snapshot

12-month high \$109,358

12-month low \$54,150

Price (12 Apr 2025) \$84,879

Key Market Metrics

BTC Dominance 60.40%

ETH Price \$1,677

Total Crypto Market Cap \$2.8T

Alt-Coin Market Cap \$1.1T

BTC's long-term outlook still strong

Bitcoin's price saw volatility throughout March as several macro factors, including escalating trade tension, inflation pressure and the U.S. Government's crypto policies, influenced sentiment. Opening the month at US\$84,297, bitcoin reached a monthly high of US\$95,128 (+13%) on 2 March before declining on disappointment regarding the [U.S. Government's bitcoin strategic reserve announcement](#), where it was announced that seized BTC would be used to initially capitalise the reserve and more bitcoin may be acquired only if the [purchases are budget neutral](#). Bitcoin has since declined to a low of US\$74,420 on Monday, April 7, amid the uncertainty caused by President Trump's trade policy.

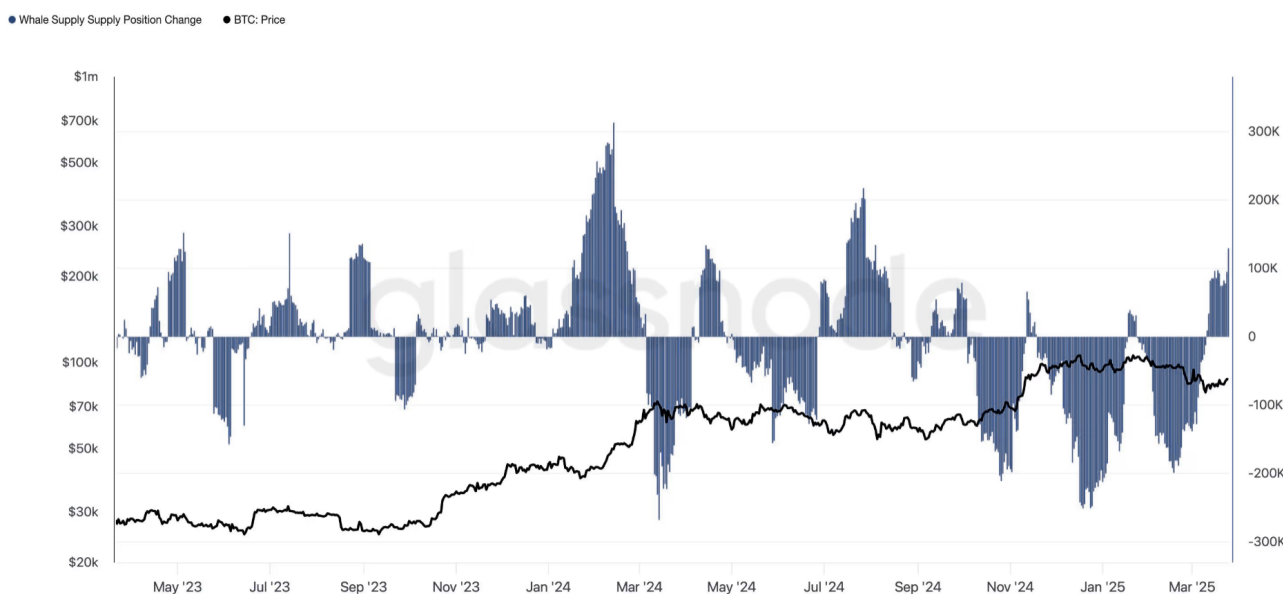
Despite recent uncertainty, an uptick in institutional interest as ETF inflows recovered in late March, plus renewed [BTC whale accumulation activity](#), indicates that sophisticated capital is getting positioned for the next move. Throughout the middle of March, bitcoin whales bought [US\\$11 billion](#) in two weeks — the fastest pace of buys since August 2024.

“That's the most significant accumulation rate since August 2024, indicating growing confidence in the largest cryptocurrency among the biggest market participants.”

- [Glassnode](#)

An upswing in the ['Bitcoin 1Y+ HOLD wave'](#) (see chart below) also confirms more BTC buyers are shifting to a hold strategy, which could indicate investors are anticipating further upward momentum.

Bitcoin: Whales Position Change (30D)



(Source: [Glassnode](#))

The chart below shows that the U.S. Citi Economic Surprise Index (CESI) has reached a low, with the initial market shocks from developments such as President Trump's tariffs announcements and the U.S. Federal Reserve's rate trajectory paving the way for [more upside in the second half of 2025](#).



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

“Economic surprises should be weaker. Then, we’re going to rebound on the back end. The next part of the year is going to be very strong. 2017, those of you who remember, was an amazing year, and I think we’ll see something very similar.”

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

Key metrics point to a potential Ethereum rebound

For Ethereum, the sell-off throughout March was more pronounced as the [US\\$1.4 billion Bybit hack](#) and concerns about the [future of the network](#) increased selling pressure. Ethereum ended March down 18.3%. Recent weeks saw ETH decline to a low of US\$1,383 on Wednesday, April 9, due to wider market uncertainty, though some metrics are pointing to a turnaround. With total value locked (TVL) on the network reaching [US\\$52.5 billion](#) and ETH supply on exchanges declining to [16.9 million ETH](#) on 25 March 2025, these metrics indicate that ETH holders are optimistic about the cryptocurrency's long-term price trajectory. The upcoming [Pectra upgrade](#), which is expected to address many of the network's long-term speed and scalability changes, could also support [further upside](#). The [Pectra upgrade](#) is scheduled for May 7.

What we're monitoring in April

The recent months of market shocks and uncertainty look to be easing based on the indexes discussed in this outlook and long-term liquidity expectations, as the Fed looks to deliver rate cuts before year-end. Traders and investors should remember to focus on long-term trends when risk-off sentiment and volatility increase due to short-term economic shocks and announcements. Caleb & Brown's team are available to help you navigate the shifting markets with confidence..

U.S. trade policy

What's at stake? President Trump unveiled his trade policy on April 2, imposing tariffs on a [long list](#) of U.S. trading partners before [winding back some of the policy](#) just 14 hours after it took effect. The long-term aim is to rebuild manufacturing in the U.S., though supply chain disruptions, inflation and market volatility are likely short-term impacts.

What to consider? Expect volatility in risk assets as governments, businesses, investors and consumers digest the consequences of Trump's developing trade policies. Engage with your broker to understand how policy changes may affect your positions.

"The market is highly sensitive to macro developments, and any significant shifts in trade policy could further impact risk assets, including crypto."

- Ryan Chow, [co-founder and CEO Solv Protocol](#)

U.S. Federal Reserve Governor Powell speaks (April 4)

What's at stake? U.S. Federal Reserve Governor Jerome Powell used his April 4 [statement](#) to express further caution about inflation, distancing himself from the previous "base case" that inflation would be transitory. President Trump has made it no secret that he wants Powell to cut interest rates and "[stop playing politics](#)".

What to consider? The U.S. Federal Reserve's position on its interest rate trajectory in relation to Trump's trade policies will affect market sentiment. Discuss any potential scenarios with your broker.

Upcoming U.S. SEC crypto roundtable discussions

What's at stake? Following its March roundtable, the U.S. SEC announced that it will host [four further discussions](#) on crypto and digital asset regulation. Each session will have a unique focus: trading (April 11), custody considerations (April 25), asset tokenisation (May 12), and decentralised finance (June 6).

What to consider? While these events may not result in immediate regulatory shifts, market expectations often move ahead of legislation. Staying proactive can give you a first-mover advantage.

Crypto legislation

What's at stake? U.S. Congress is prioritising the passage of stablecoin legislation, with President Trump saying it will be [enacted by August](#). The Stablecoin Transparency and Accountability for a Better Ledger Economy (STABLE Act) was passed by the U.S. Financial Committee on April 3, while the Senate's version, the GENIUS Act, passed the Financial Committee in early March. [Both stablecoin bills](#) will now proceed to their respective congress floors for a vote.

The [Securities Clarity Act](#) was reintroduced to the House on 26 March. The Act aims to define how crypto assets may fall within the current securities laws frameworks.

The [Congressional Review Act](#) resolution, which sought to overturn the Internal Revenue Service's 2024 regulation expanding TradFi services regulation to DeFi brokers, passed a second Senate vote and will now proceed to President Trump for signing. It will be the first crypto bill to be signed by President Trump.

What to consider? Greater clarity tends to improve investor confidence. If you're assessing your exposure to stablecoins 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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