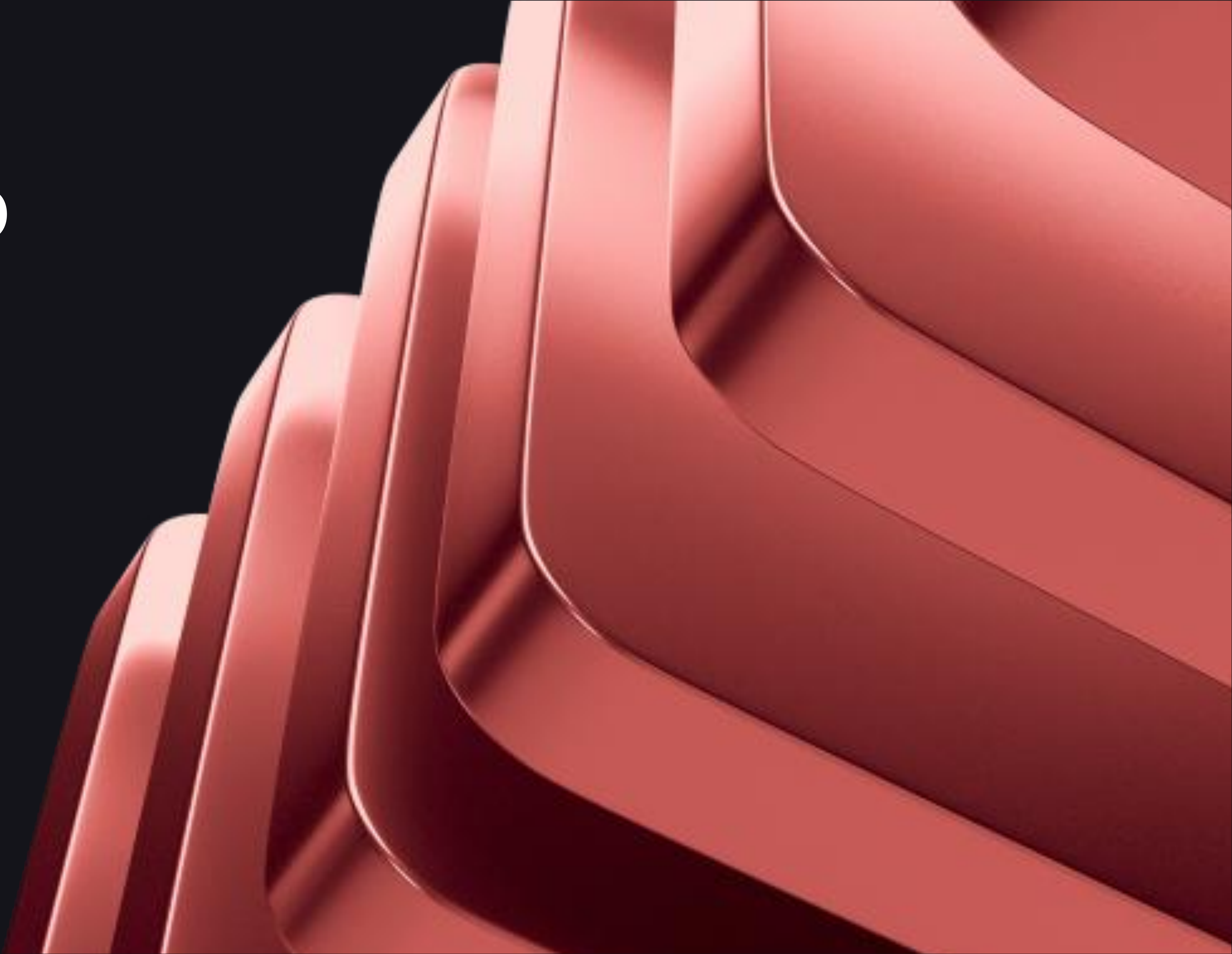
H1 2025
Round-up



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What happened?

H1, 2025: Defining Events

January/February

March/April

May/June

Trump's second term start

- Trump memecoin launch pre-office, BTC ATH at inauguration
- Crypto Executive Order covering examination of digital asset stockpile and regulation, January 23. 180-day deadline: **July 22**.
- Tariff-initiatives causes broad market sell-off.

SBR and tariffs

- Trump signs executive order mandating the launch of the Strategic Bitcoin Reserve
- Liberation Day, April 2. Massive tariffs announced, postponed for all countries but China to **July 9**.
- Markets recover following tariff-postponements.

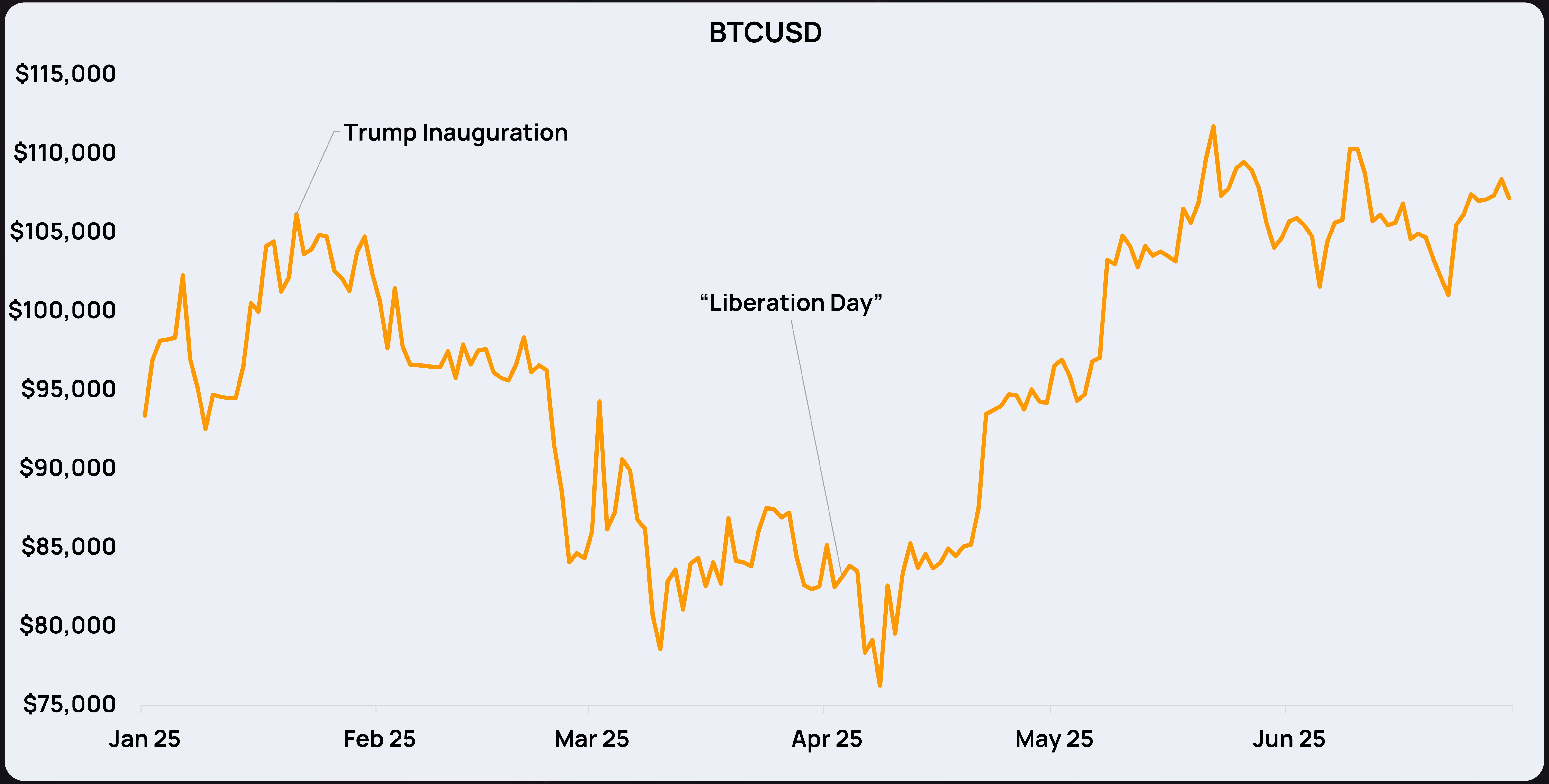
Wars and conflict

- Companies across the globe launches BTC treasury initiatives.
- Circle goes public, stock rallies from $31 to peak of $298.8.
- GENIUS act passes the Senate.
- Israel attacks Iran, Iran responds. U.S. gets involved with airstrikes. De-escalation follows.

Bitcoin ends the half-year up 15%

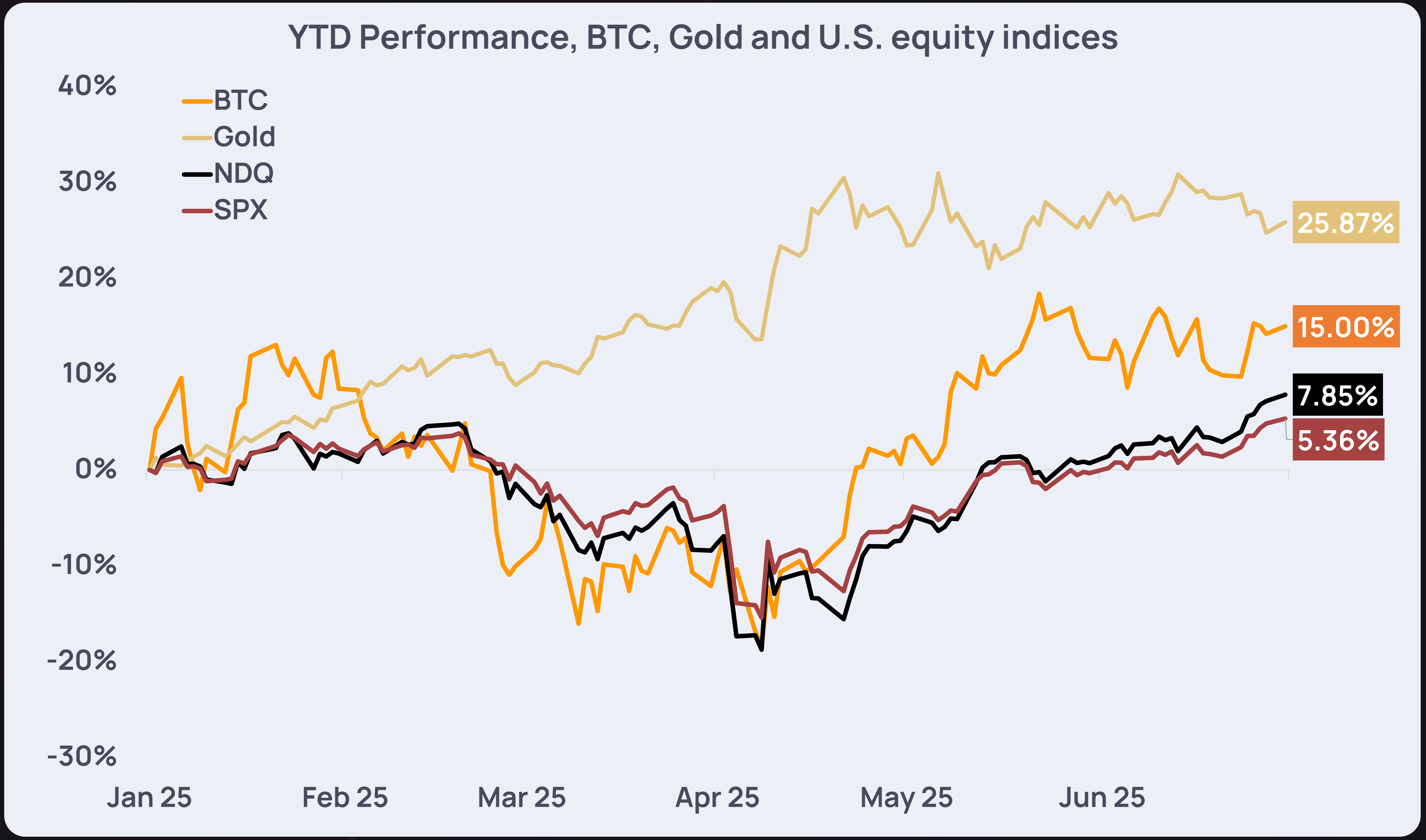
A period filled with noise

- Bitcoin gained 15% in H1, 2025, overcoming an uncertain period of tariffs and intensified geopolitical turmoil with grace.
- This marks BTC's fifth consecutive half year of positive returns, the longest streak since 2015-2017.



Gold, the strongest performer
Bitcoin a solid runner-up

- De-globalization was a key trend in H1 2025. Costlier global trade and U.S. tariff introductions weakened the dollar while increasing demand for gold, with gold ending the half-year at a 30% gain.
- Bitcoin struggled in this de-risking period but showed subtle hints of relative strength vs equities by outperforming equities in the aftermath of Liberation Day.



Volatility

A maturing asset?
Bitcoin volatility should not spook investors.

While the last half year has felt tremendously hectic, with deep drawdowns and sharp rallies, volatility has been unusually soft in BTC.

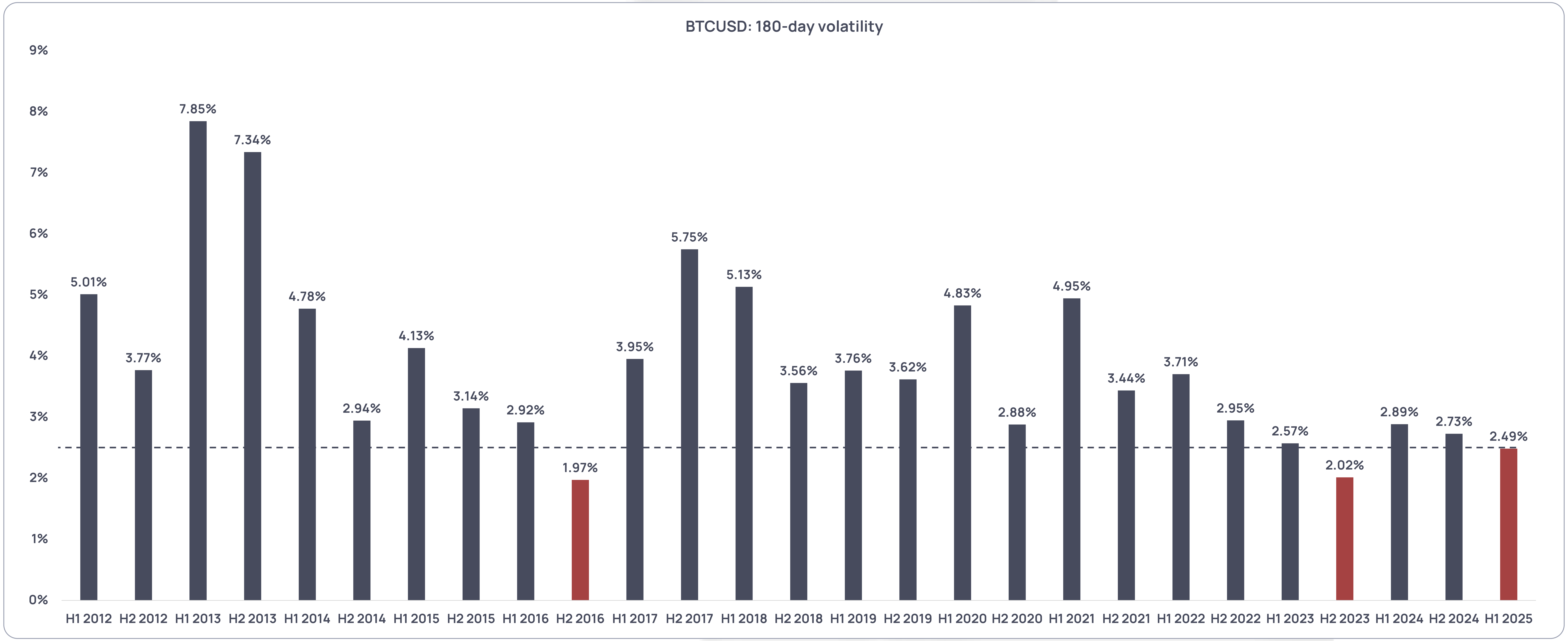
Equities have been more volatile than usual in H1 2025. Nasdaq has faced its third most volatile half-year since 2012, whereas the S&P 500 (slide 7) has faced its second most volatile half-year since 2012.

Over the past months, BTC has been less volatile than 32.44% of the top 100 U.S. companies, approaching former all-time lows in relative volatility of 36.6% from 2016.

On the next page, we highlight BTC's 180-day volatility from 2012 to today. H1 2025 was Bitcoin's third least volatile half-year ever, only behind H2 2023 and H2 2016.

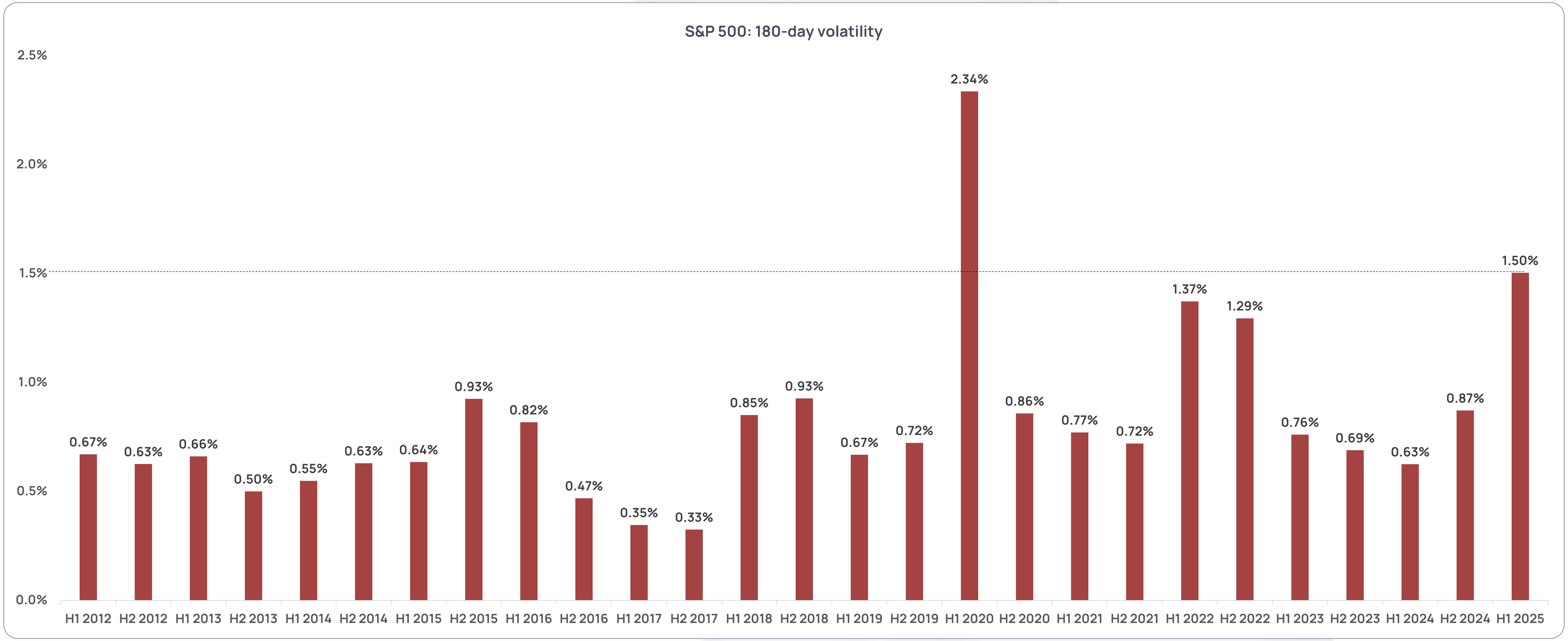
Volatility

Third lowest half-year volatility in BTC, ever.



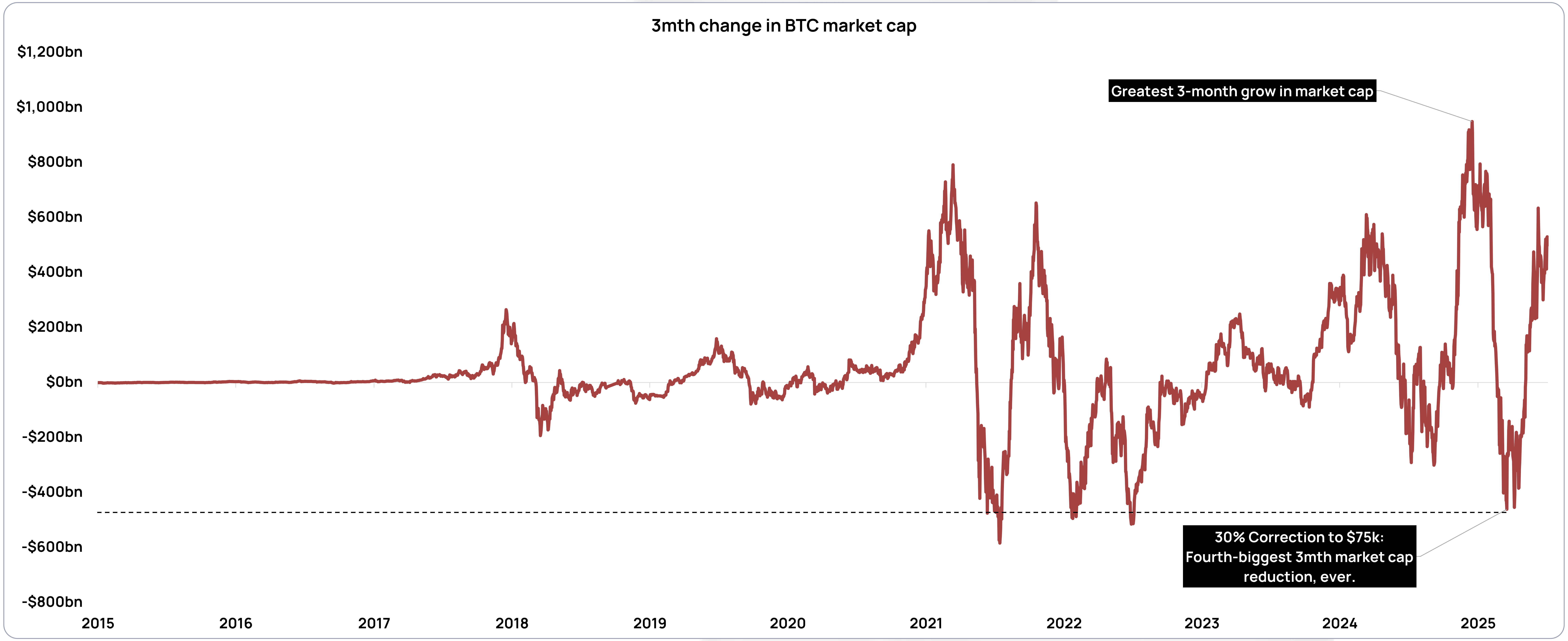
Volatility

Second most volatile half-year in the S&P 500 since 2012.



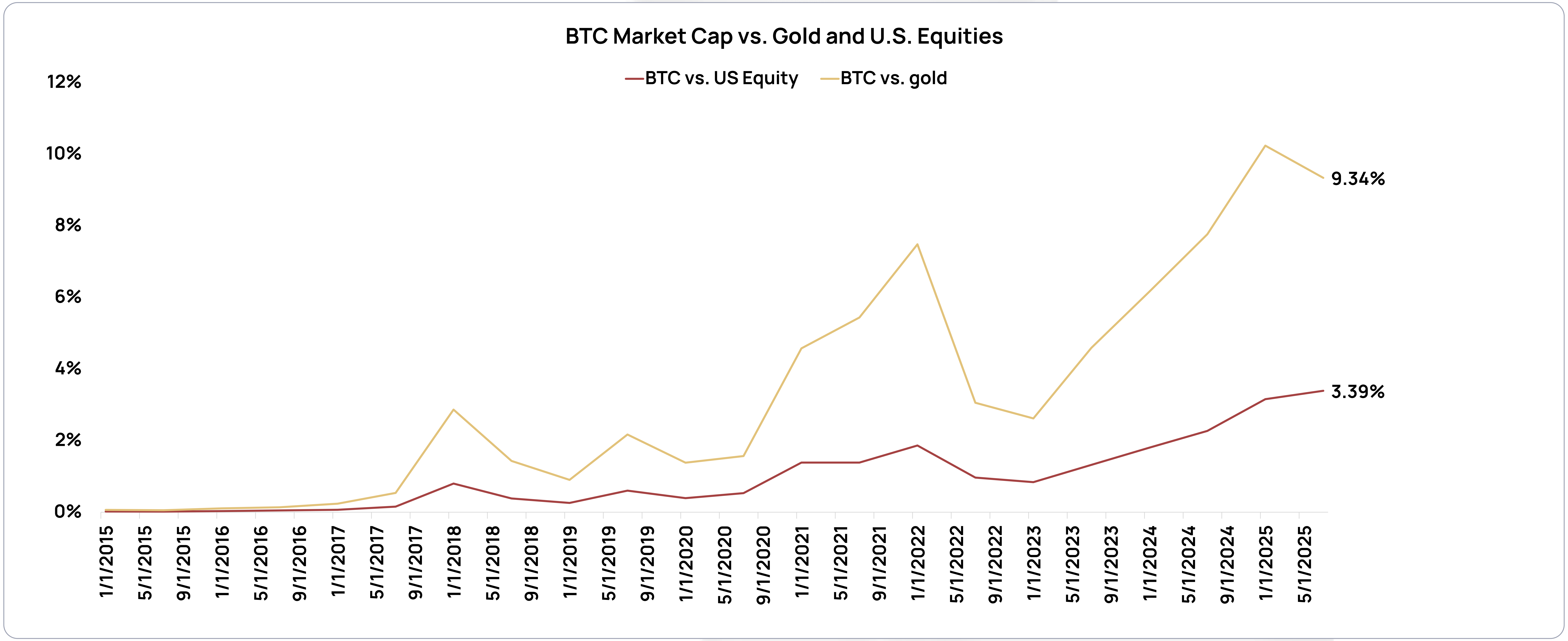
Volatility

Explaining the low volatility?
A 20% move is larger than BTC's peak market cap from 2009 to December 2020.



Size

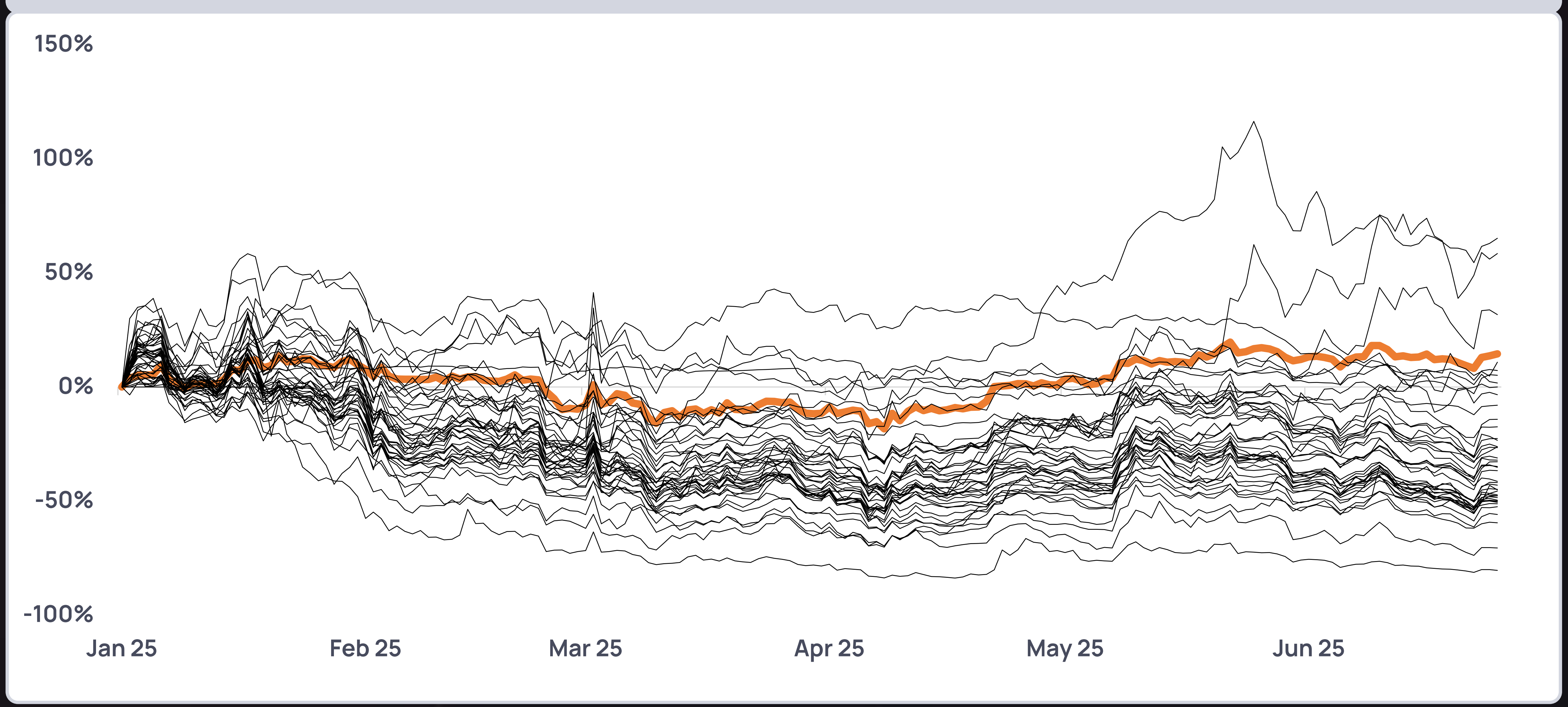
BTC's market cap:
9.3% of gold, 3.4% of the U.S. equity market. Investors with well-diversified portfolios should own BTC.



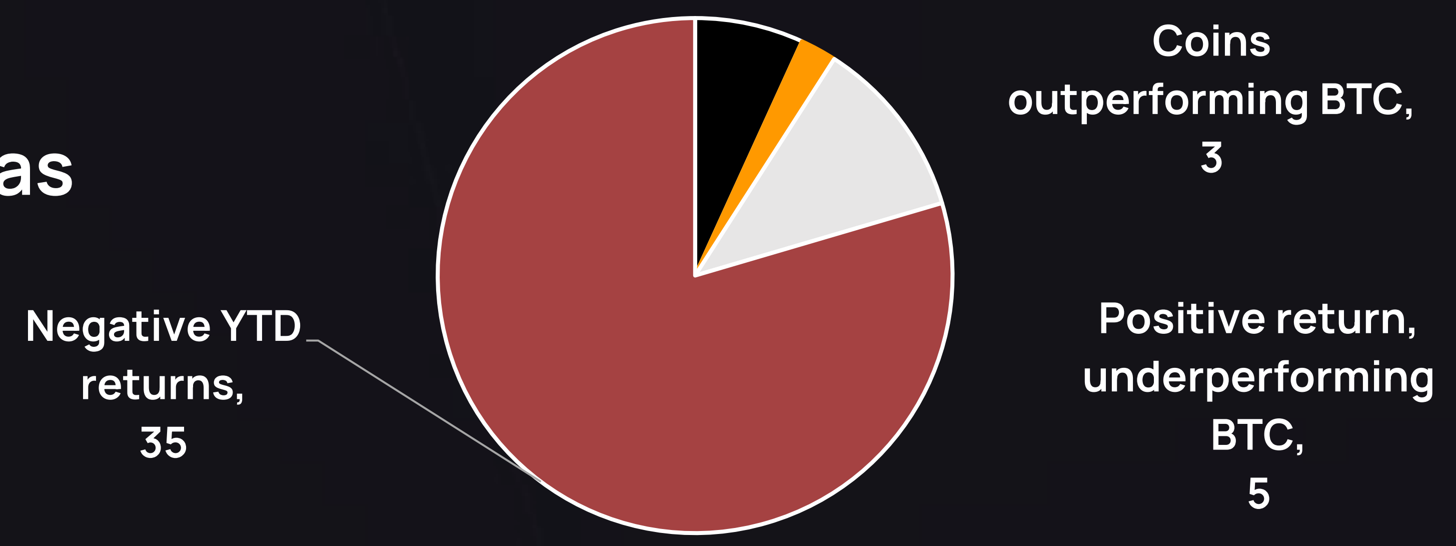
Strong half-year for Bitcoin, but not for alts

- Only 9 out of the top 50 cryptocurrencies (excluding stablecoins) saw positive returns in H1 2025.
- Three altcoins (XMR, HYPE, and SKY) outperformed BTC in H1 2025.
- This marks a continuation of a long-lasting trend of weak altcoin performance.
- H1, 2025 marked the fifth consecutive half-year of growing BTC dominance, with BTC dominance closing on June 30 at 65.2%.

Top 50 coins: Non-stablecoin YTD performance

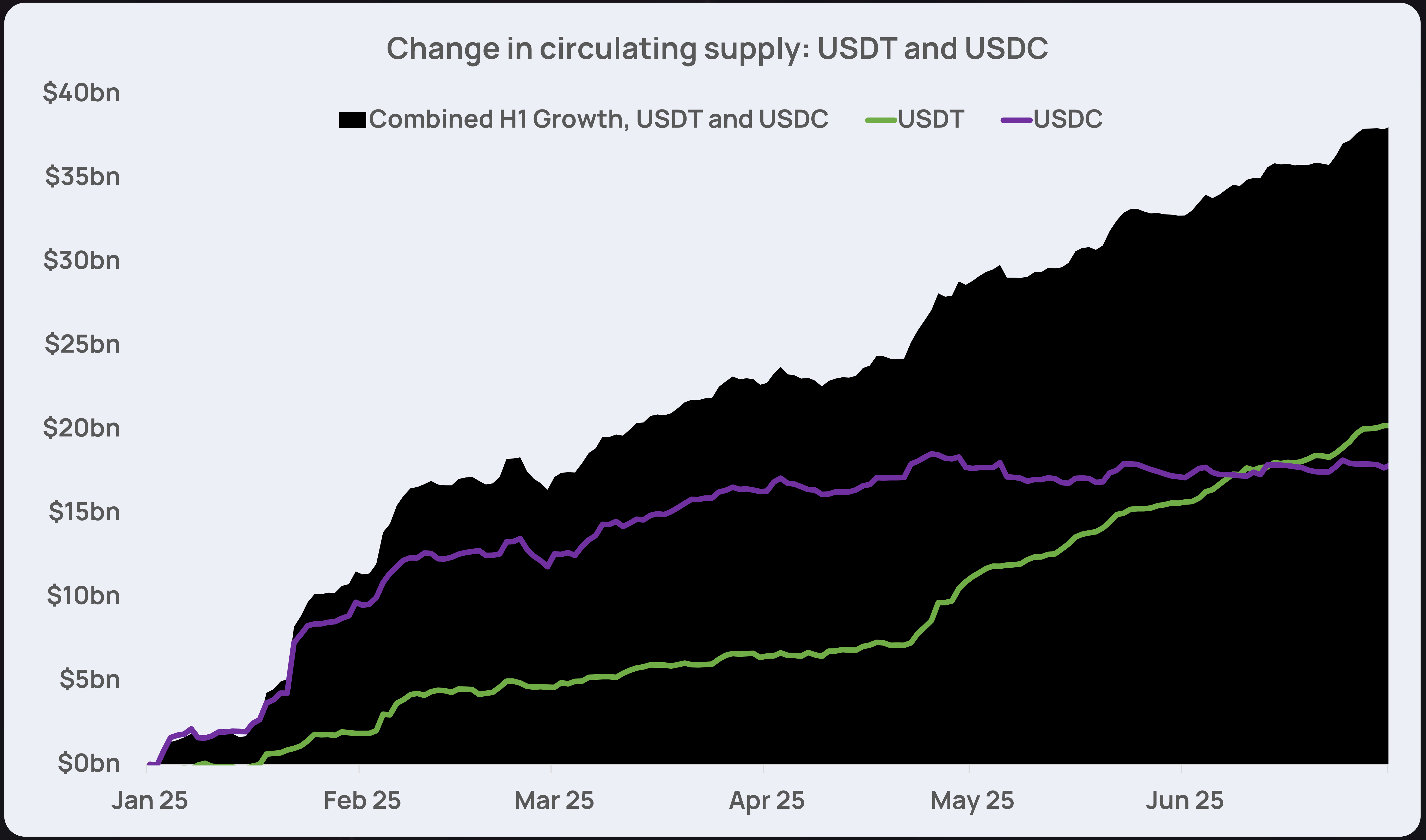


Of the top 50 coins, only 3 has outperformed BTC YTD



$38bn more USDT and USDC in circulation
Tailwinds for the industry

- **Stablecoins** have faced a solid half year, with USDT's and USDC's circulating supply growing by $38bn.
- The tailwinds for stablecoins stem from the U.S. administration endorsing the industry. Stablecoins are viewed as a way to solidify U.S. Dollar dominance while also representing a significant source of demand for U.S. Treasuries.
- The U.S. government advanced the GENIUS Act, signaling impending federal oversight.
- Traditional finance behemoths such as Visa, Mastercard, JP Morgan, Standard Chartered, Fidelity, and Société Générale all pushed toward various stablecoin initiatives in H1, 2025.
- Meanwhile, established player Circle went public with the stock rallying 484% from its IPO price.

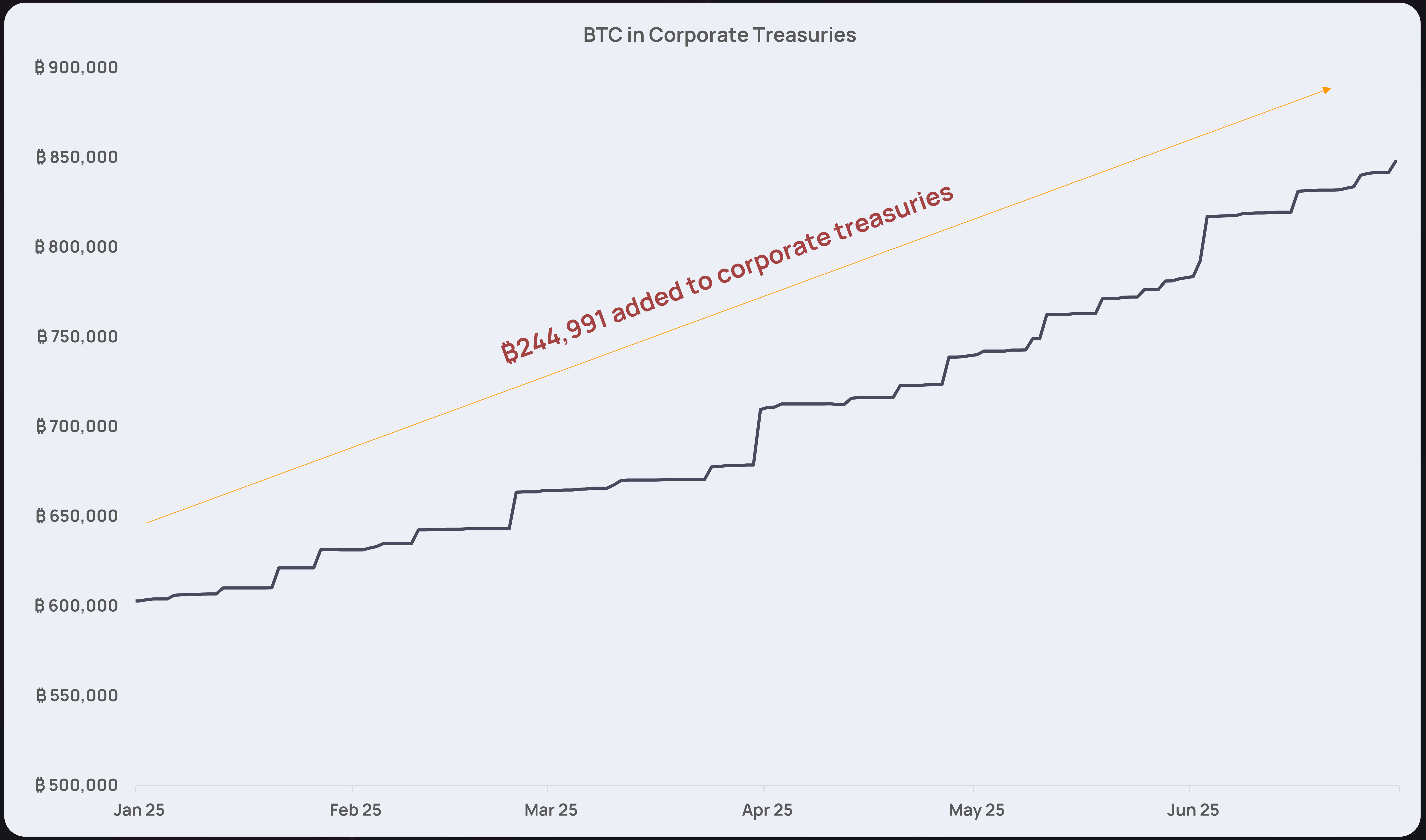


Equities, ETFs and derivatives.

Bitcoin Treasury Take-off

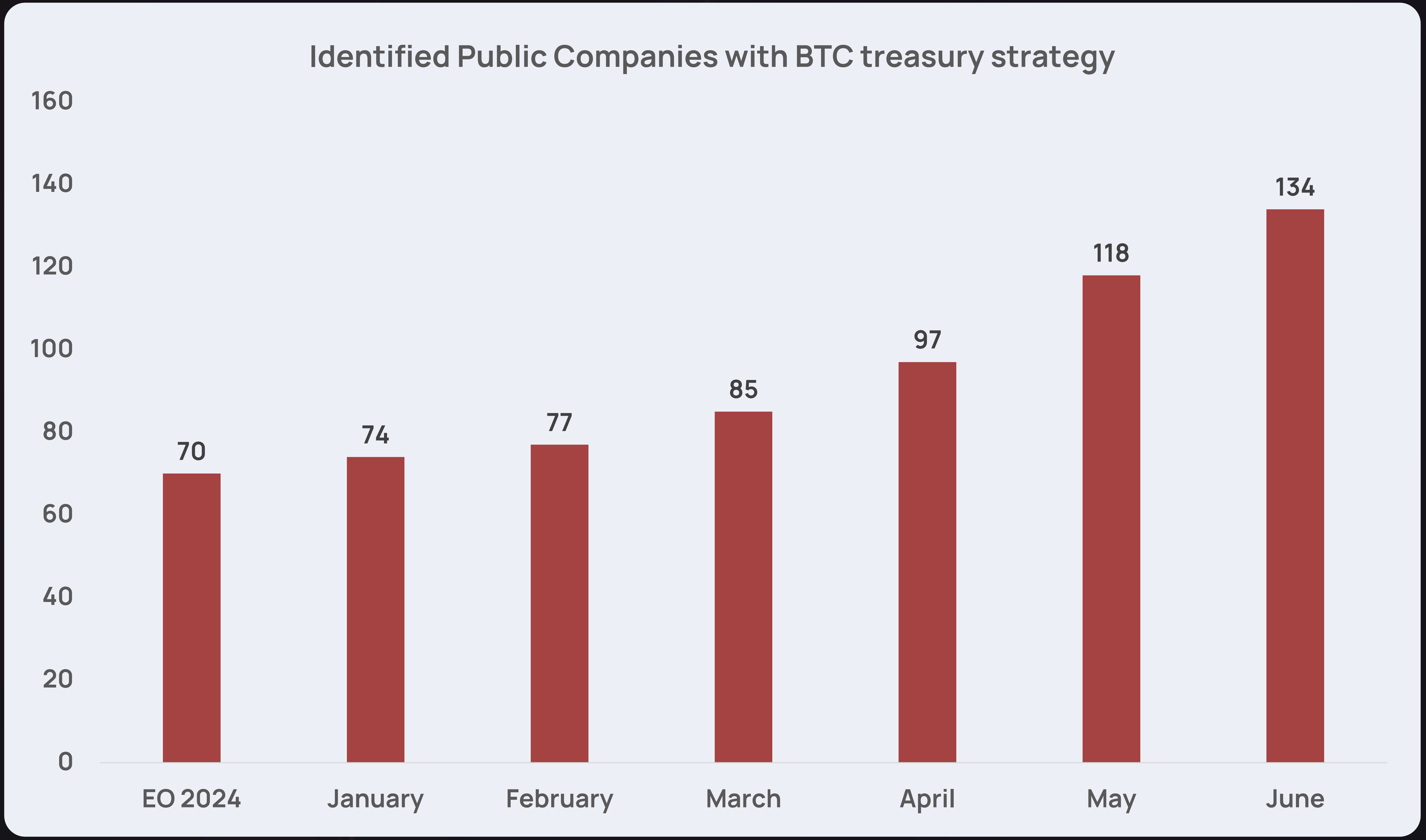
244,991 BTC bought by public companies, halfway into the year

- MicroStrategy pioneered the BTC treasury strategy. At first the company sought to hedge against inflation, leading Tesla to follow. In later years, the strategy has evolved, with the firm predominantly acting as a BTC treasury company, buying BTC through loans or share issuance.
- The strategy accelerated in H1 2025 with companies across the globe adopting various iterations of this strategy.
- As a combined group, BTC treasury companies bought 244,991 BTC in the first half of 2025.



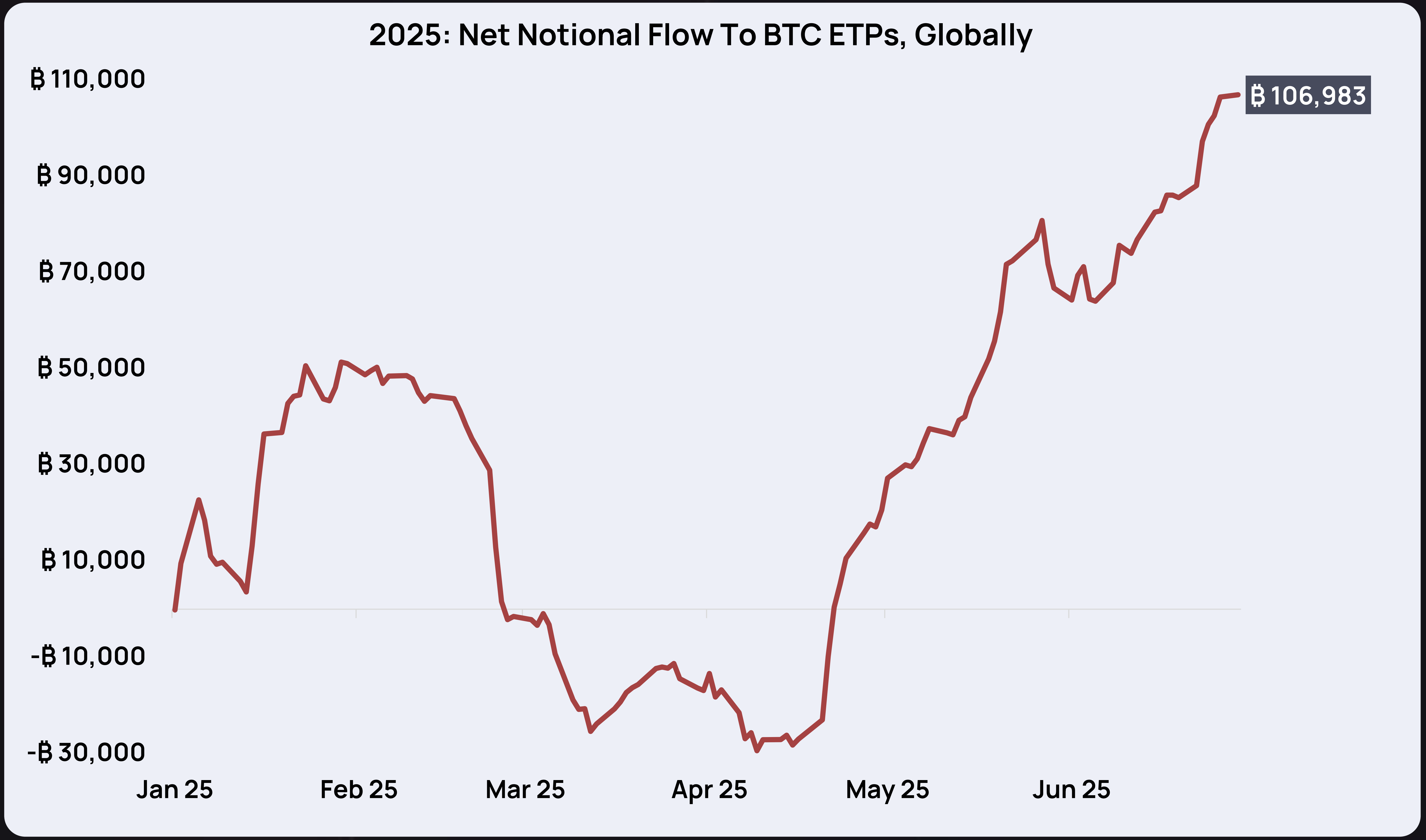
BTC Treasury Companies
Nearly doubling in 2025

- The number of companies with BTC on their balance sheet grew from 70 to 134 from Dec 31 to Jun 30, 2025.
- Several microcaps across the globe have adopted BTC treasury strategies following the success of MSTR and Metaplanet.
- Companies listed in 27 countries have adopted a BTC treasury strategy.
- 41 public U.S. companies, 29 Canadian companies, 8 Japanese companies, and 7 UK companies currently held BTC on their balance sheet by end of June.



Solid ETF flows in Q2
ETFs sees net inflows of 107,000 BTC

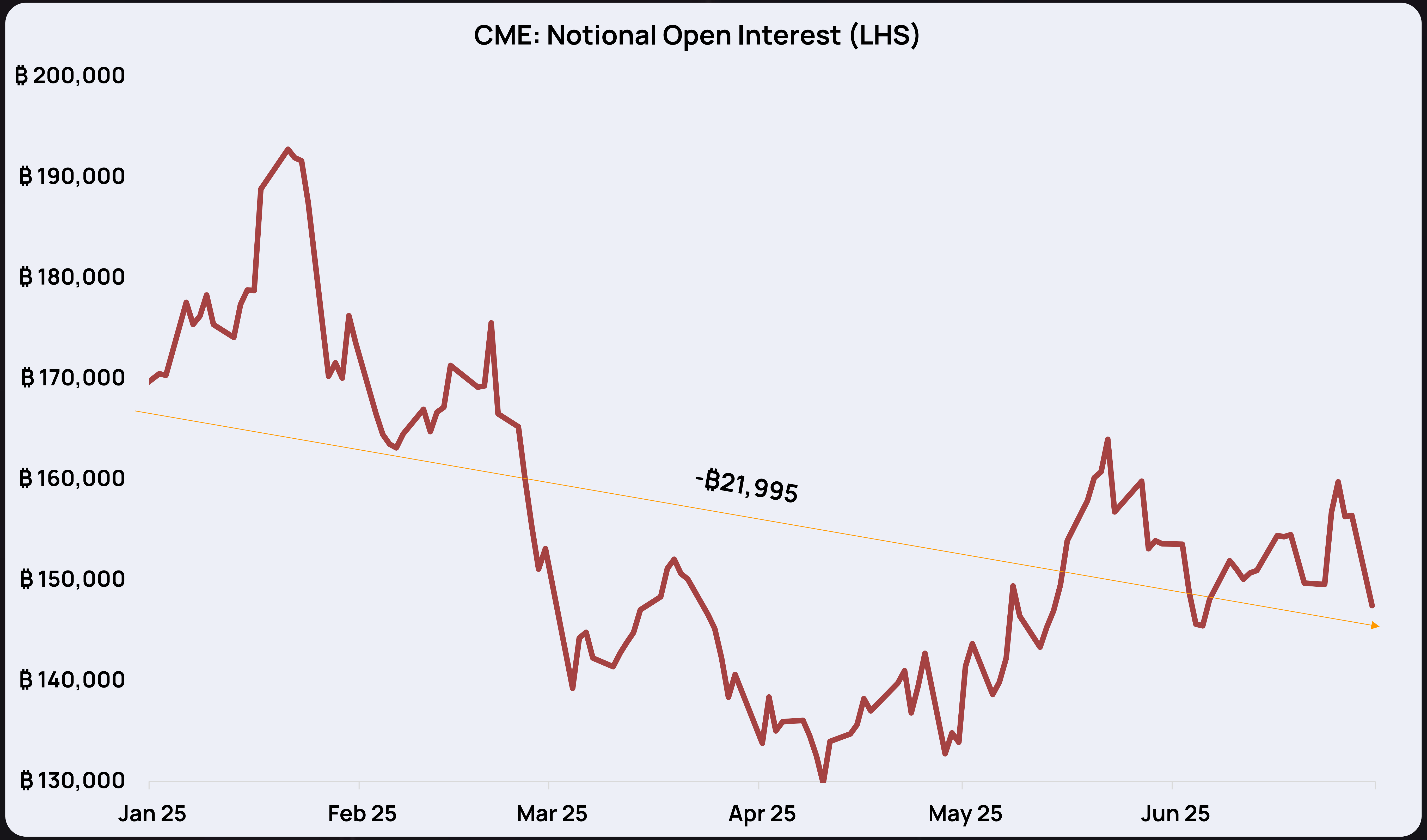
- ETP products thrived in Q2 as demand picked up following a challenging Q1.
- Bitcoin ETPs saw net inflows of 106,983 BTC in the first half of 2025.
- Q1 saw net negative outflows of 16,400 BTC.
- The solid flows resumed as Trump introduced the 90-day tariff pause, leading to rotations back into BTC.



Derivatives risk-takers cautious

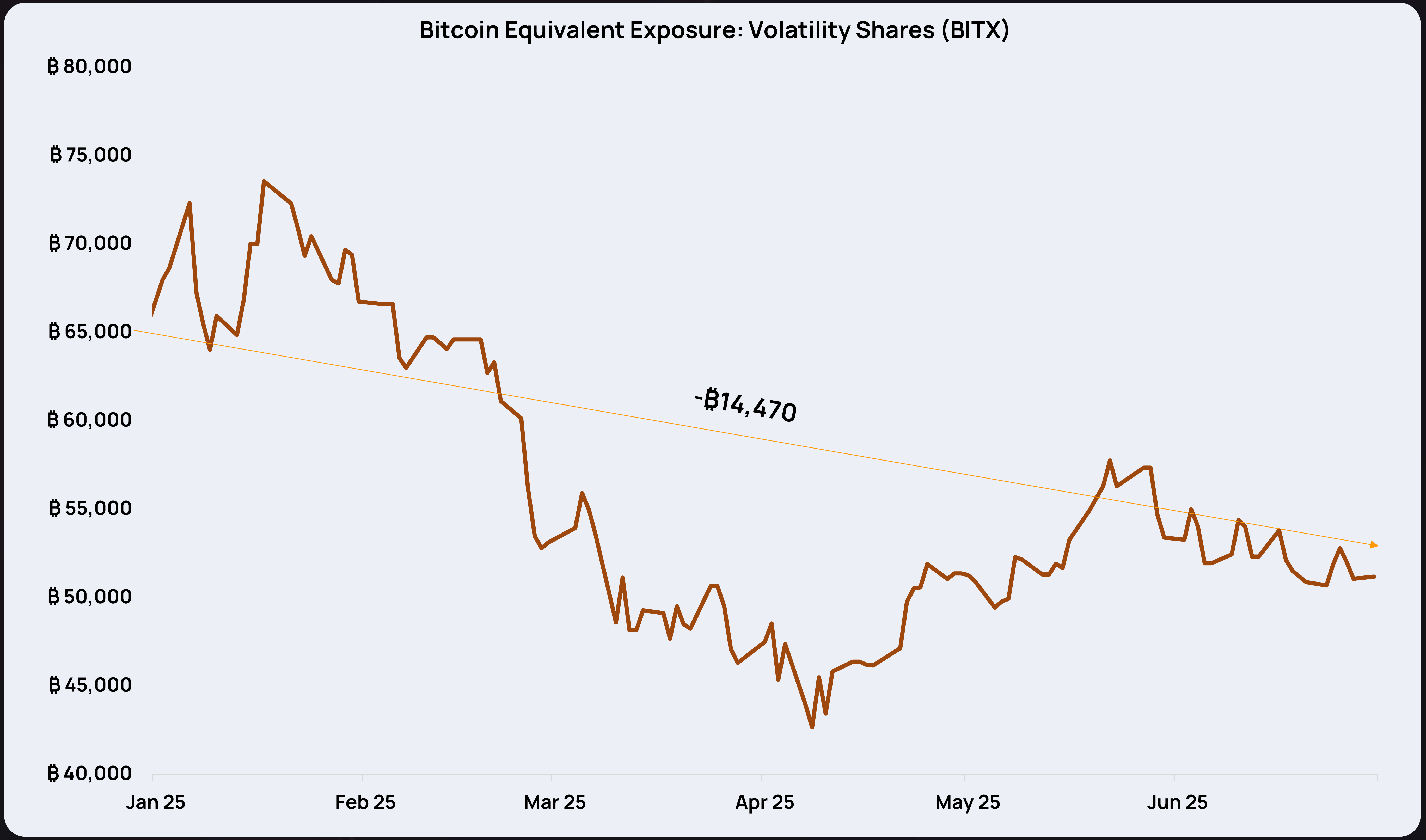
CME OI stagnant and low throughout 2025

- While ETFs and BTC corporations have seen solid accumulation in 2025, derivatives traders have been cautious.
- Open interest on CME is down 22,000 BTC compared to the beginning of the year.



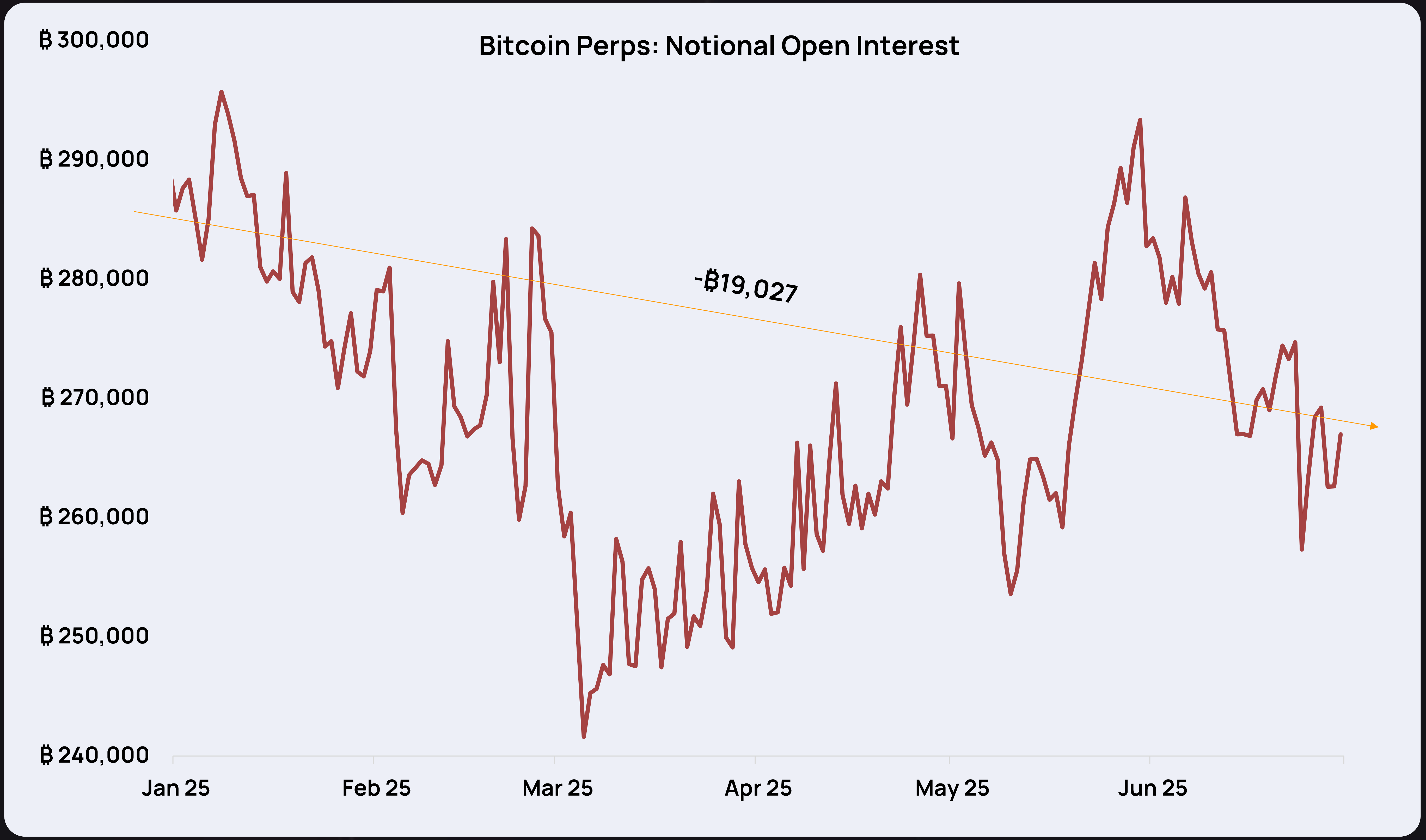
Traders not willing to add risk
Leveraged ETF has faced a weak half-year

- Outflows from the 2x leveraged BTC ETF issued by VolatilityShares explain 65% of the decline in CME OI in 2025.
- The ETF held a BTC equivalent exposure of 51,180 BTC on June 30, down 14,470 BTC from the yearly open of 65,650 BTC.
- The stagnant year for leveraged BTC vehicles is a prime example of the broad risk aversion in the market of late.



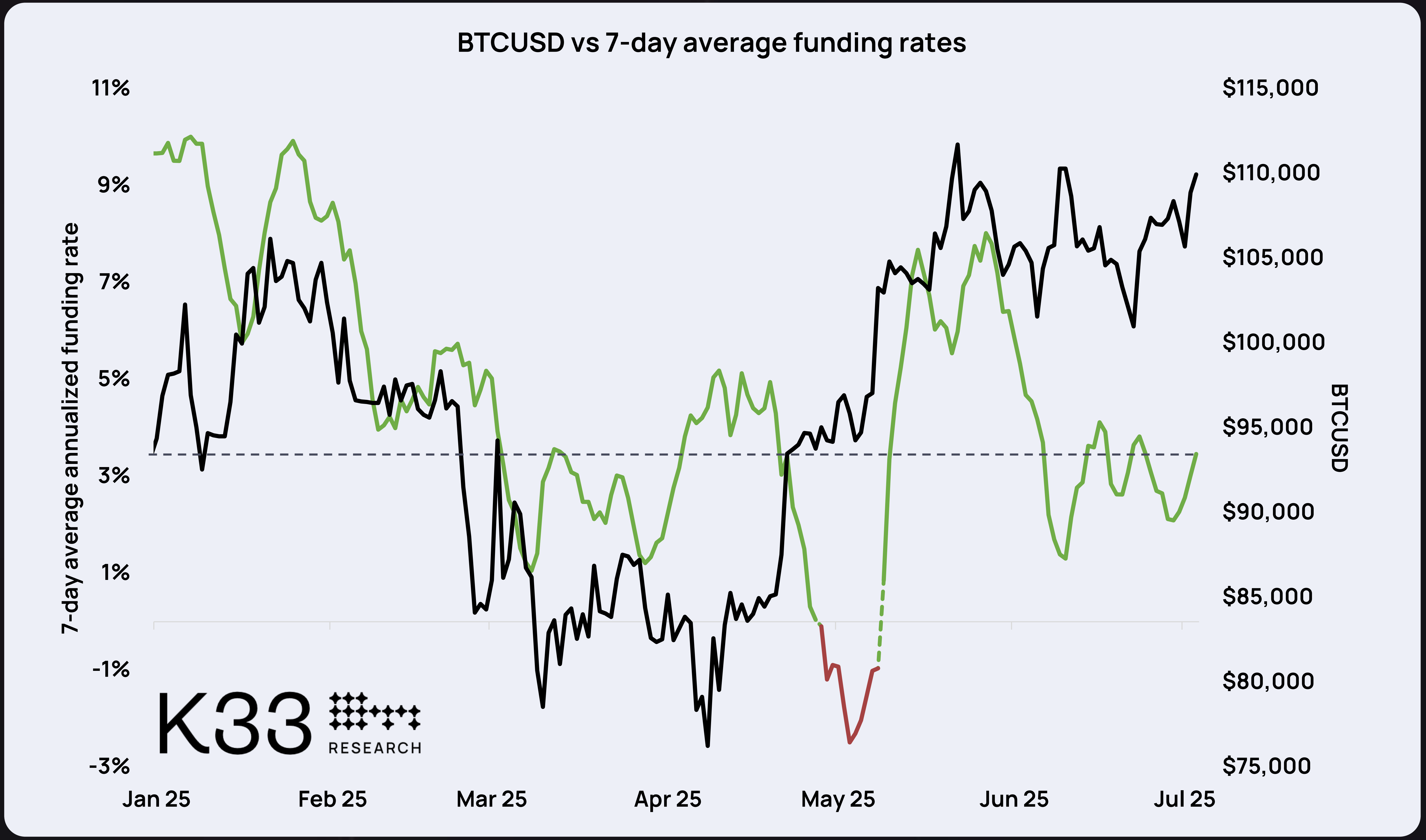
De-risking also present offshore
Perps see modest activity

- Open interest in BTC perps has declined by 19,027 BTC compared to the yearly open.
- The sharpest OI retracement occurred during BTC's plunge to yearly lows, where longs from the run-up was liquidated en-masse.
- Perp traders have been considerably more cautious in Q2.



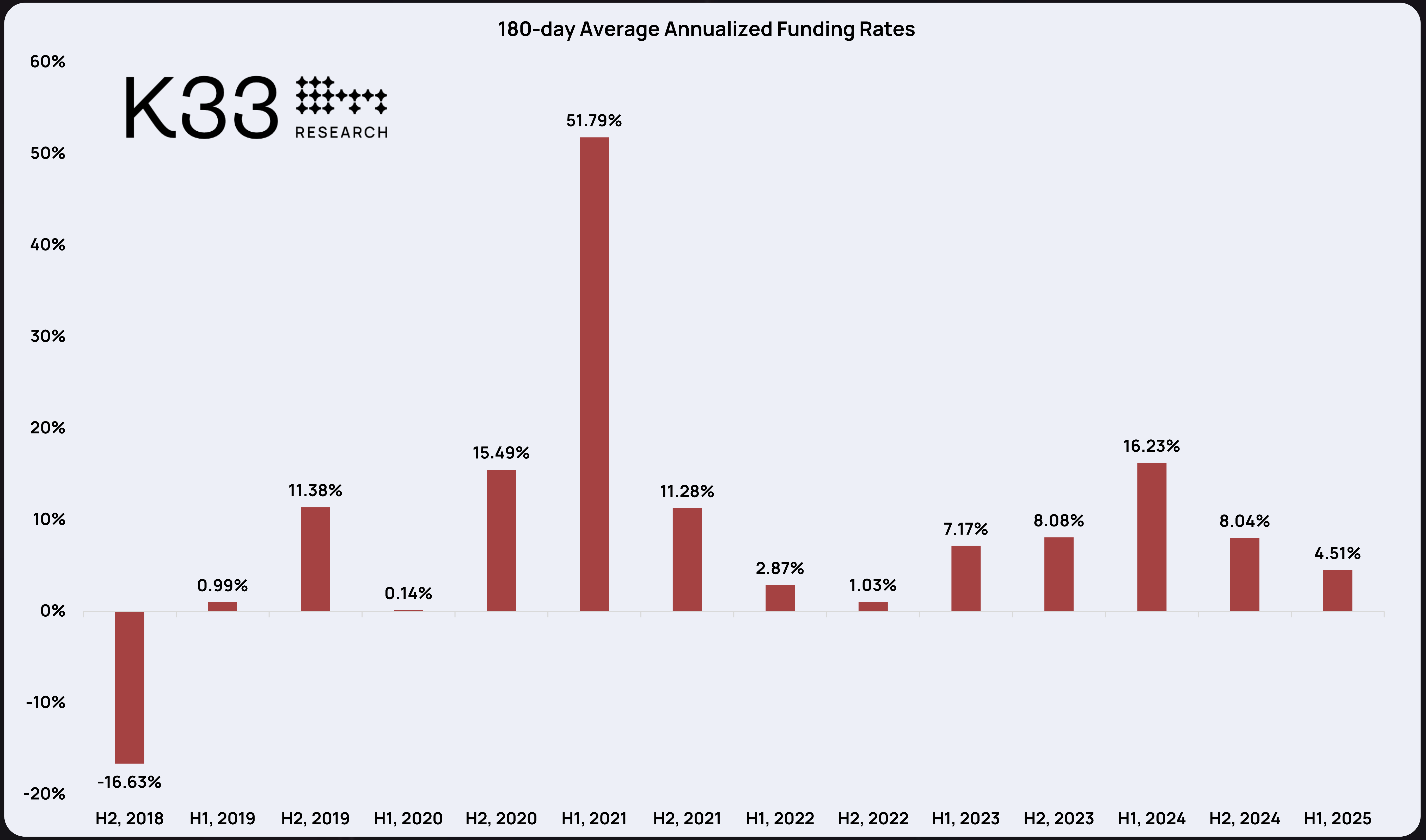
Uniquely low funding rates
Low risk-appetite in June

- 7-day average funding rates ended June averaging at 2.26%.
- This extremely low funding rate environment near highs shows a distinct risk-aversion despite the prevailing market strength.



Uniquely low funding rates
Low risk-appetite throughout H1

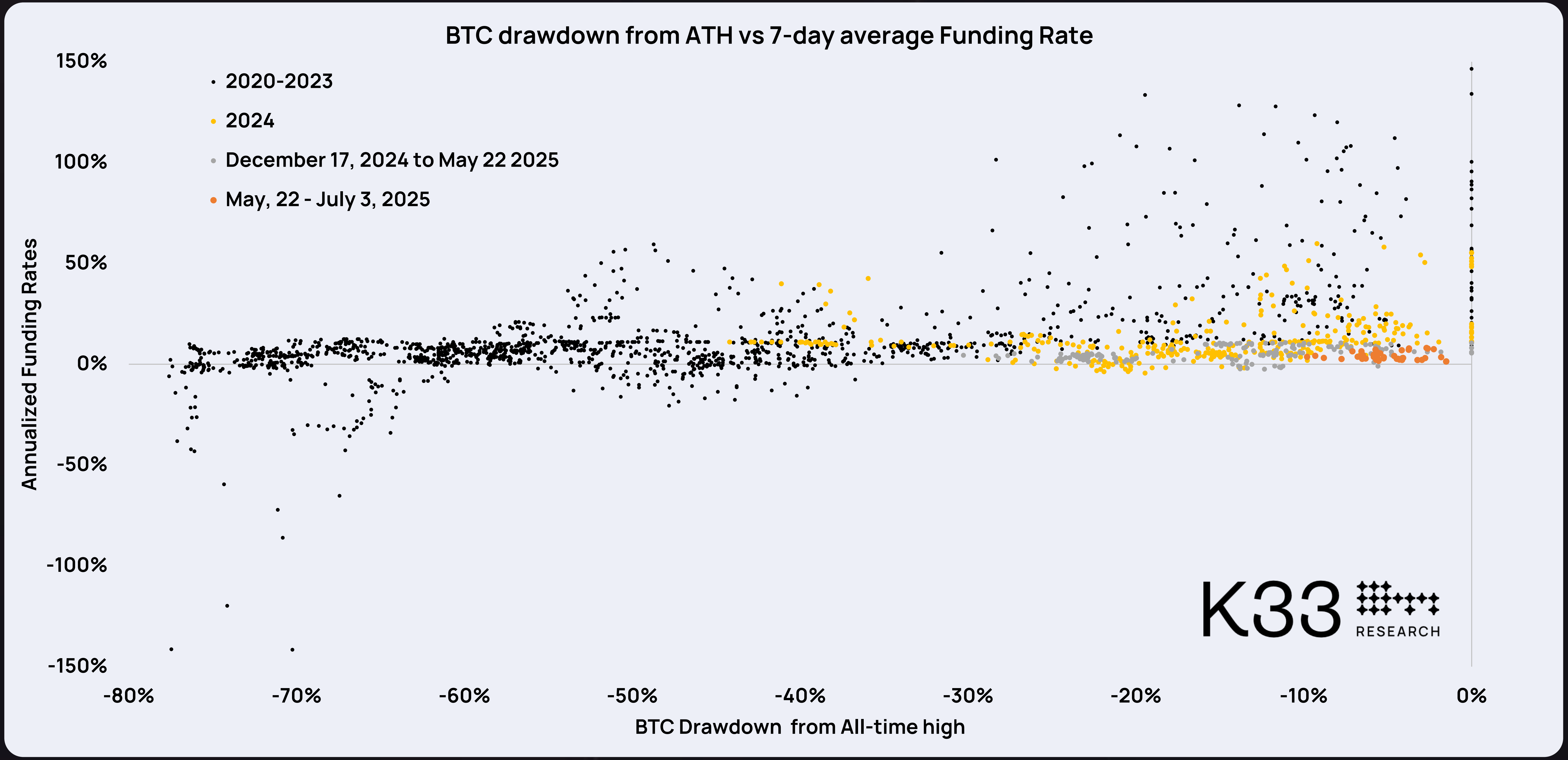
- Annualized funding rates averaged at 4.51% throughout the half year, the lowest average half-year funding rate since December 31, 2022.



Funding rates trend lower

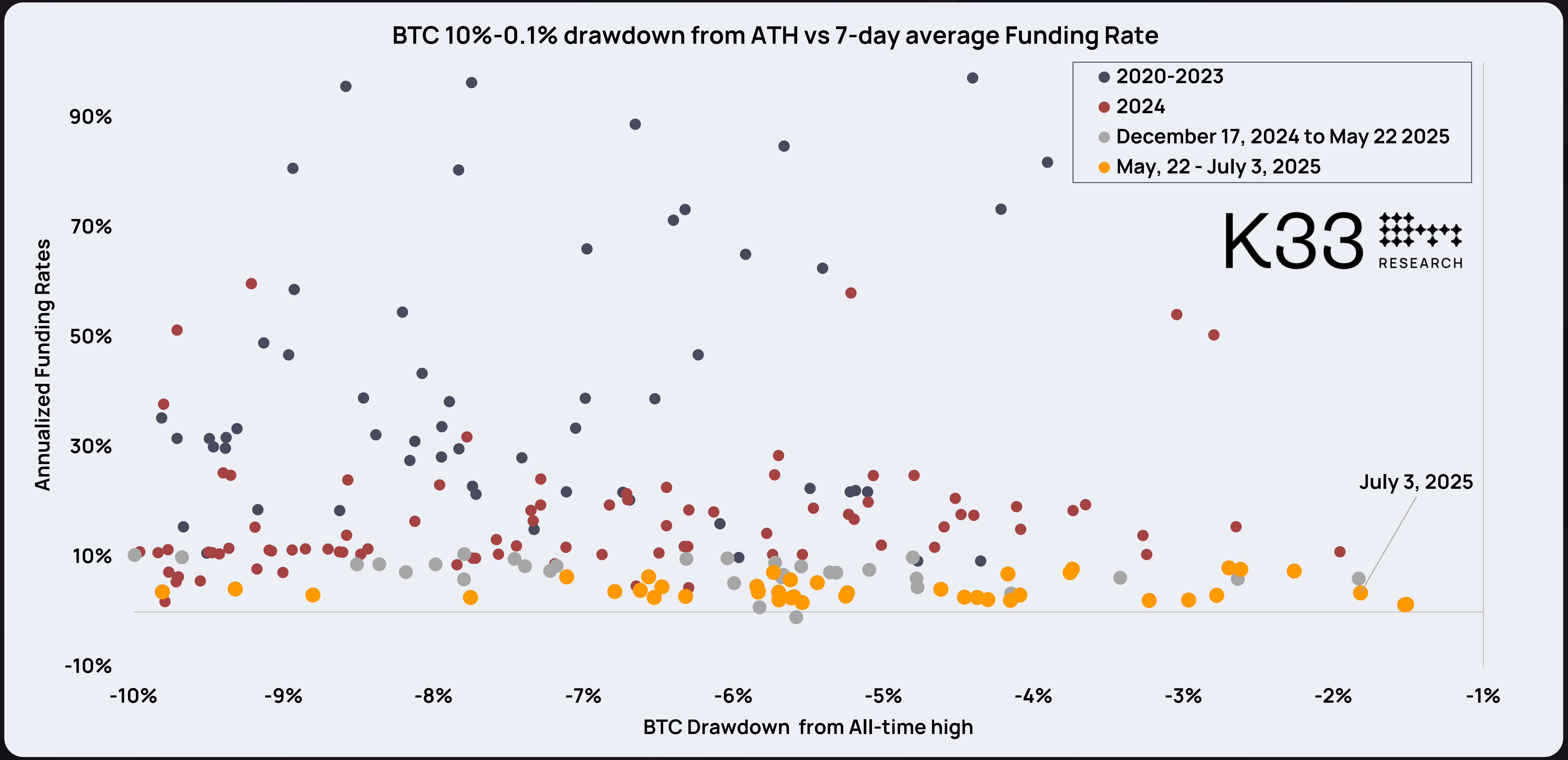
Defensive, or more efficient?

- Since the May 22 all-time high, BTC has averaged at a 5% drawdown from its all-time high, but funding rates have been modest.
- Since 2020, BTC has spent 228 days trading at a -1% to -10% drawdown from ATHs.



ATH’s on near negative funding rates
Trending lower, high for high.

- The average annualized funding rate in ATH drawdowns between 1% and 10% is 24.82%.
- This is in sharp contrast to the average funding rate of 4.1% between May 23 and June 30.

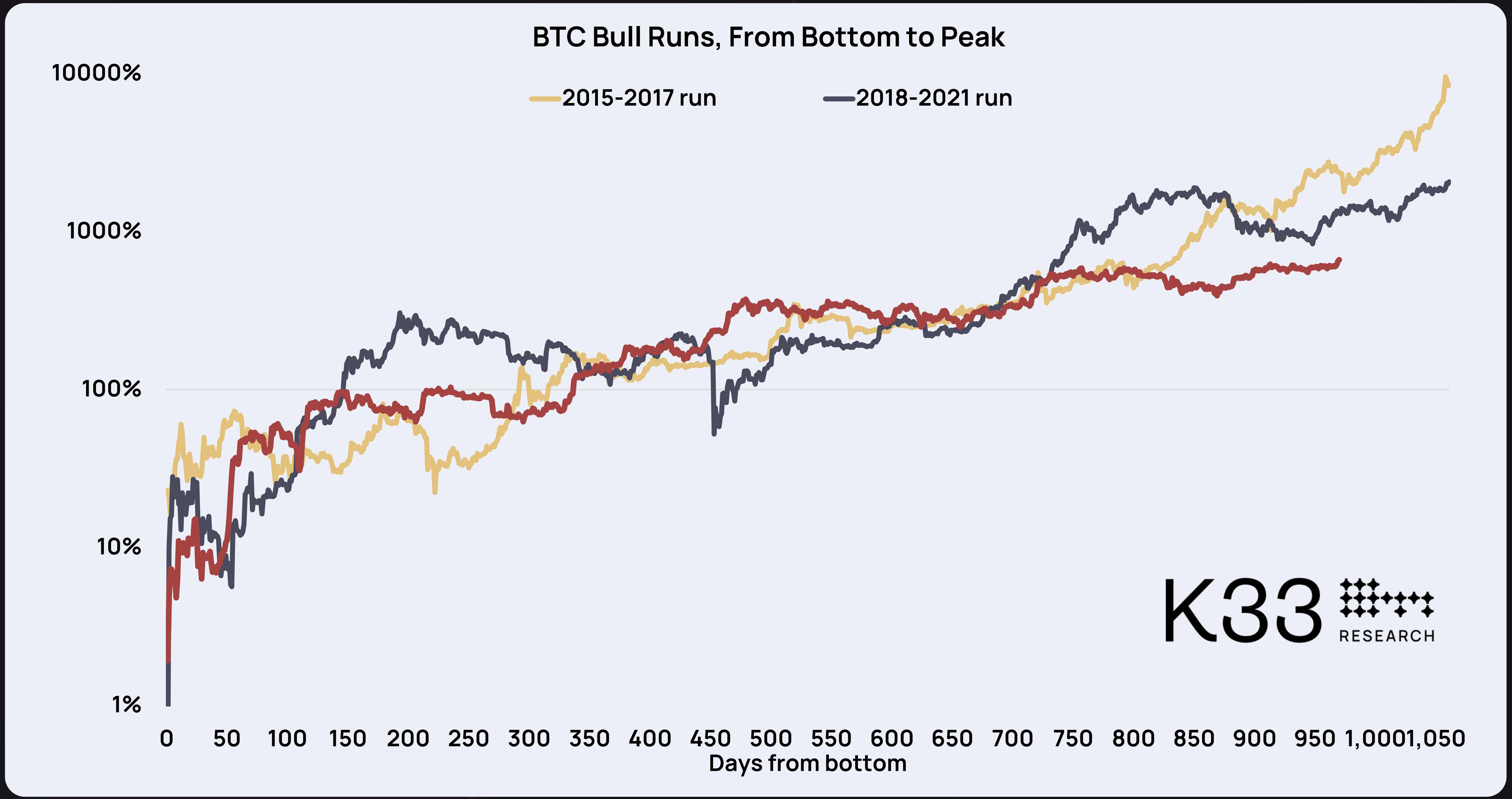


Road ahead

Lagging the former runs

Bitcoin is larger now, moves are naturally smaller

- The past two bull runs saw BTC go from cycle bottom to cycle peak in 1,062 days (2021) and 1,069 days (2017).
- If the pattern repeats, a cycle top could occur between October 15 and October 30.
- However, we do not expect the four-year cycle to repeat.
- The impact of halvings is materially smaller today than in the past. Further, the momentum around nation-state adoption and simplified regulated access favors a detachment from the past cycle precedent.
- We believe BTC has moved from a speculative reflexive asset to a more established reactionary store of value in a world with tenser global trade and enhanced inflationary pressures.



What may happen?

H2, 2025: Upcoming Themes

July/August

Summer season

- New tariff negotiations
- Crypto Working Group Report Deadline: **July 22.**
- Progress on U.S. digital asset regulation.
- Potential information related to the U.S. strategic BTC reserve.

September/October

ETFs

- Altcoin ETF launches (33 act)
- In-kind redemptions to BTC ETFs
- Launch of staking ETFs.
- More crypto IPOs
- Expected FED interest rate cut.
- Potential information related to the U.S. Strategic BTC Reserve.

November/December

Seasonal tailwinds

- Historically the strongest period for BTC.
- Further regulatory implementations.
- New crypto company IPOs
- Potential information related to the U.S. Strategic BTC reserve.