Ahead of the curve

Market Update

Digital Assets

Signals from the market

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Bitcoin flexes while S&P rolls over
Liberation Day volatility sent markets into panic. However, Bitcoin has shown relative resilience while the S&P 500 saw its largest daily losses since the Covid crash. BTC saw weekly returns of -3% while equity indices worldwide saw far steeper drops. Notably, Strategy confirmed it had not purchased BTC (supporting price) during this period of BTC strength. With tariffs set to go live tomorrow and countries calling for negotiations, we have likely not experienced the last of tariff-related market-moving headlines.

CME traders remain unphased, while offshore traders slowly build positions
CME traders held their defensive stance and did not show signs of panic during last week's carnage. CME yields are starting to show a mild uptrend over recent weeks, indicative of slightly improved market sentiment. However, current premiums remain soft at 6.3%, reflecting cautious positioning while open interest remains flat at 11-month lows. VolatilityShares outflows largely offset inflows from active market participants, as the futures-based ETF now holds 43,930 BTC – its lowest level since July 2024.

Perp funding rates stayed below neutral throughout most of the week, briefly hitting negative levels ahead of Sunday's wipeout. Open interest spiked to 1-month highs of 266k BTC on Monday, but retraced to 255,000 BTC by end of day. OI has been choppy with BTC ranging between 75k-88k, but is facing a slight uptrend as leverage slowly accumulates.

BTC's relative strength (despite lagged impulse lower)
The price action induced by Liberation Day is something for the history books. Friday saw the S&P 500 have its worst daily return since March 16 2020, while the index produced its third-largest intraday high/low spread (8.51%) since 2010 on the following Monday. Perhaps even more remarkable was BTC managing to book marginally positive returns on Thursday and Friday while the S&P 500 saw major daily losses of -4.9% and -6%, respectively. Although BTC eventually saw its own steep selloff over Sunday and Monday, BTC has strengthened against equity indices since the April 2 tariff announcements.

BTC still trades higher than it did during election day, which is in sharp contrast to equities. Correlations between BTC and the S&P (0.47) and Nasdaq (0.55) remain high compared to the past year. However, episodes of relative strength as observed on Thursday and Friday indicate the potential for more relative strength ahead in BTC.

Liberation Day sends shockwaves
Global markets were sent reeling following Trump's Liberation Day announcements, outlining huge tariffs on trading partners. The tariffs go into effect on April 9, while China's retaliatory tariff goes into effect on April 10.

Markets continue mulling over the potential damage to global trade and heightened recession risks. However, we expect negotiations to result in lowered tariffs. In addition, if equities continue their meltdown, central banks and governments will be forced to interject with monetary and/or fiscal stimulus, both of which are favorable for BTC. With more market clarity on the horizon, combined with what we believe is a strong foundation for BTC in the medium to long term, current price levels offer a good buying opportunity.

By the numbers

BTCUSD $80,045
7d: **-3%**
30d: **-6%**

ETHUSD $1,587
7d: **-13%**
30d: **-27%**

Open Interest (BTC futures and perps)
$36.1bn
451,000 BTC (**2.7%** last seven days)

Average daily BTC spot volume
$4.9bn (**83%** last seven days)

BTC 90-d correlations (weekly change included)

ETH	Gold	S&P 500	DXY
0.76 (0.04)	0.17 (-0.02)	0.41 (-0.06)	-0.13 (0.06)

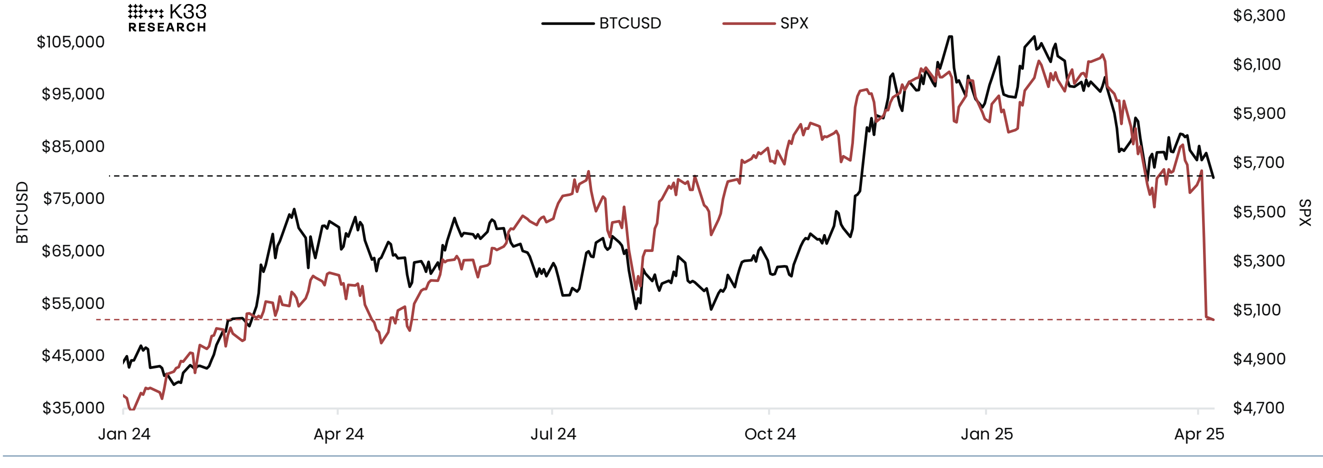
Percentage of Total Market Capitalization
Weekly change in percentage points

BTC	ETH	Stablecoins	Rest
62.7% (1.3%)	7.5% (-0.8%)	8.2% (0.7%)	21.6% (-1.2%)

Last week of top 50 by market cap

	Ticker	7d	YTD
Gainers			
1	OKB	9%	7%
2	TRX	0%	-7%
3	MANA	0%	65%
Losers			
1	TON	-23%	-43%
2	TRUMP	-22%	556%
3	AAVE	-20%	-57%

Figure 1: Performance BTCUSD vs SPX



Source: Tradingview

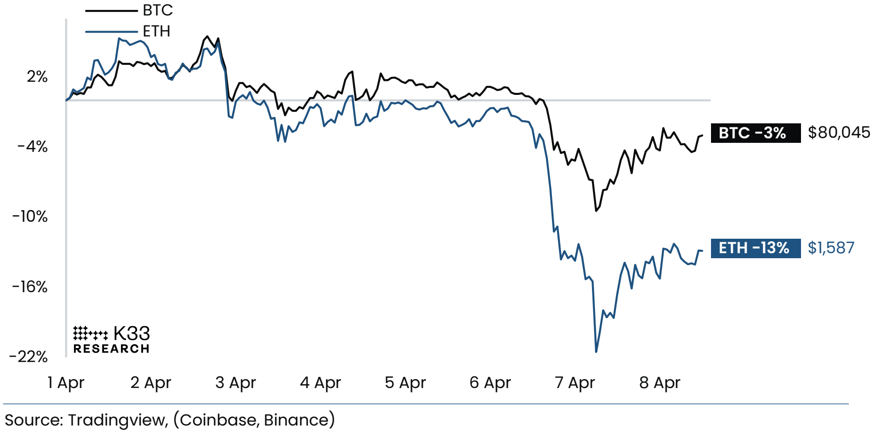
Spot Market

Biggest S&P sell-off since Covid, BTC resilient
This week's most remarkable feat is that BTC has not crashed harder. BTC saw a weekly return of -3% over the past week, hitting new yearly lows of $74,420 on Monday. It still hovers above all-time highs from April 2024 and higher than its U.S. election levels. While BTC has faced meaningful selling pressure this week, it has behaved resiliently, considering that the S&P 500 and Nasdaq both faced a 1-week drawdown of 7.4% in the same period. BTC typically faces an exaggerated downside during such sharp sell-offs, as discussed more thoroughly on pages 6 and 7.

The market-wide de-risking is caused by the tariffs introduced by Donald Trump on April 2. Tariff levels were higher than anticipated, based on a per-nation trade deficit estimate. China has retaliated, and markets worldwide are facing volatilities and daily returns not faced since the Covid crash. Trump's tariffs are scheduled to go live on April 9, whereas China's reciprocal tariffs are scheduled for April 10. Behind the scenes, 70 countries have reportedly reached out to negotiate with the U.S., with U.S. Treasury Scott Bessent adding that deals will probably not be reached by April 9. Tariff negotiations will likely remain the key market mover in the weeks ahead, alongside the volatile US 10y treasury yield.

Strategy bought zero BTC over the past week and was not contributing to BTC's relative strength vs. equities on Thursday and Friday. Gamestop closed its $1.5bn convertible last Tuesday and might have spent this capital on BTC, but it has yet to disclose any purchase. The relative strength exhibited in BTC may also stem from excess de-risking taking place in late February and potential tailwinds from both the Strategic Bitcoin Reserve and more crypto-friendly regulation in the U.S.

Figure 2: Performance BTC and ETH, Last Week

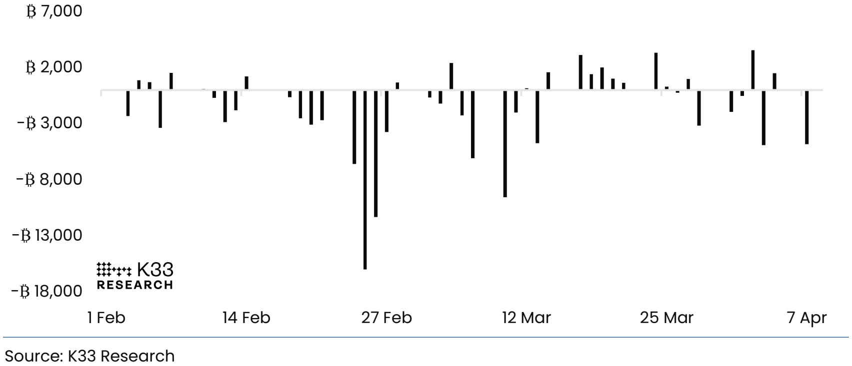


Source: Tradingview, (Coinbase, Binance)

Moderate outflows from BTC ETPs
The past week has seen net global outflows of 5,188 BTC, stemming primarily from U.S. spot ETFs and VolatilityShares.

While April 3 and 7 saw sizeable outflows, they remain far softer than the overwhelming outflows seen in late February to mid-March. This could suggest that short-term BTC ETP owners already de-risked Trump uncertainties during the February shakeout, with most current ETP exposure reflecting longer term allocations.

Figure 3: Daily Global Net BTC ETP Flows



Source: K33 Research

Headlines last week

President Trump announces reciprocal tariffs

China imposes 34% reciprocal tariffs on imports of US goods in retaliation for Trump's trade war

GameStop raises $1.5 billion in convertible notes for bitcoin buying spree

Ripple to acquire Hidden Road for $1.25 billion in crypto industry first

Former Binance CEO CZ joins Pakistan Crypto Council as advisor

Acting SEC chair Uyeda directs staff to review statements on crypto risks, security laws

SEC declares 'covered' stablecoins like USDT and USDC are not securities, no registration needed for minting or redeeming

Calendar

Wednesday, April 9
- Liberation Day Tariffs Scheduled to go live.
- U.S. 10y note auction
- FOMC meeting minutes

Thursday, April 10
- Chinese Reciprocal Tariffs scheduled to go live.
- U.S. CPI (Exp: 0.1% MoM)

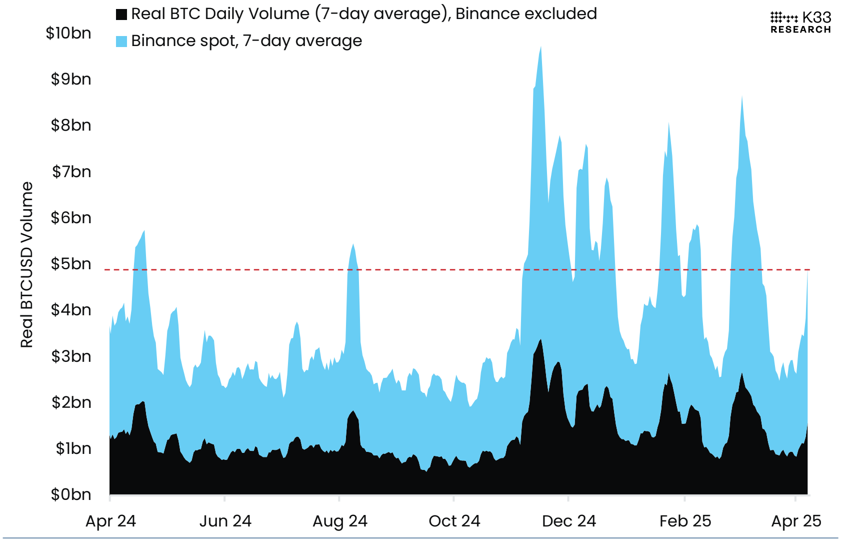
Spot Market

Fear and Greed

Now: 24 (Extreme Fear)
Last week: 34 (Fear)
Last month: 28 (Fear)

Traders return as tariffs brings back volatility
BTC spot volumes have reached 4-week highs with average daily trading volumes hitting $4.9bn. Monday April 7 saw particularly high activity seeing $10.7bn in daily trading volume, the highest since February 28.

Figure 4: Real BTCUSD Daily Volume* (7-day average)



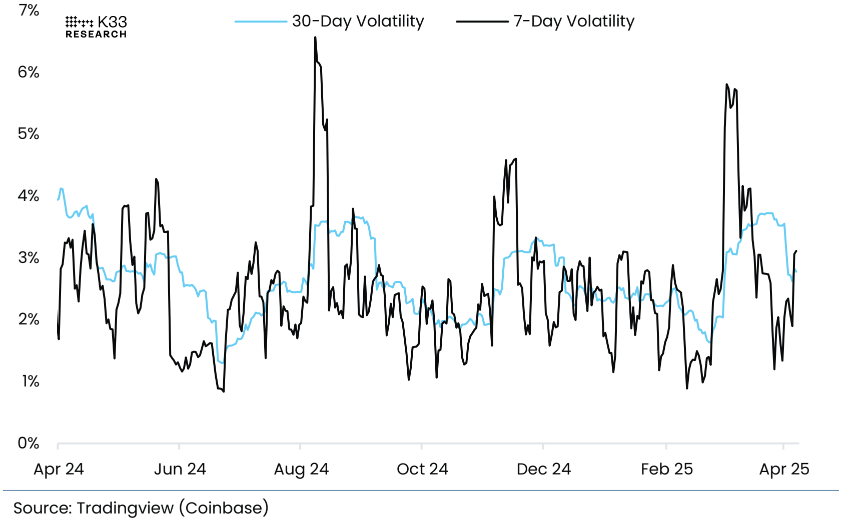
Source: Tradingview, Bitcoinity *Includes Bitwise 10 exchanges

Climbing volatility, but relative volatility stays soft
Bitcoin's 7-day volatility grew 3.1% over the past week, fueled primarily by the steep Sunday sell-off. This is the highest 7-day volatility seen in BTC since March 16.

The big story in this week's BTC volatility profile is the sharp contrast to equities. The past week has seen mayhem and rocky conditions across equity indices. Following its massive sell-off, the S&P 500 recorded its largest one-week volatility since April 2020, whereas BTC's 7-day volatility of 3.1% sits moderately above its 1-year average 7-day volatility level of 2.5%.

This orderly and relatively regular 7-day volatility of BTC amidst the broad market chaos is an unusual sight to behold, as steep movements in equities tend to be mirrored by even sharper BTC moves.

Figure 5: BTC-USD Volatility



Source: Tradingview (Coinbase)

Derivatives
CME, Futures and ETFs

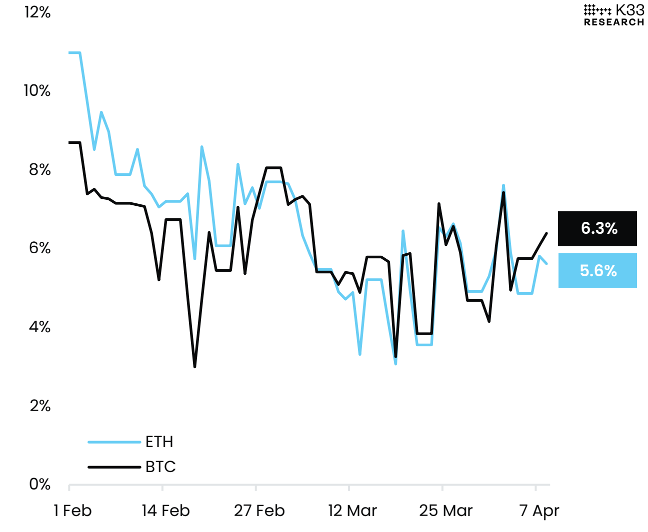
A message plastered across this week's report rings true again on CME – overall changes to yield and exposure has been orderly and measured, with no major notable change compared to last Tuesday. Thus, CME traders remain defensive, but showed no tendencies of panic amidst last week's carnage in equity markets.

CME's annualized futures basis sits at 6.3%, slightly above last week's sub 5% level but still conservative overall. Interestingly, CME yields have seen a mild uptrend of higher lows over the past few weeks, indicative of slightly improved market sentiment. That said, current premiums remain soft, indicative of cautious positioning remaining the modus operandi.

Open interest remains flat at 11-month lows. Active market participants have increased exposure by 6,000 BTC over the past week, whereas futures-based ETF outflows have offset the effect with futures-based ETFs seeing net outflows equivalent to 4,000 BTC. The outflows primarily stem from VolatilityShares, now holding 43,930 BTC – the lowest since July 5, 2024.

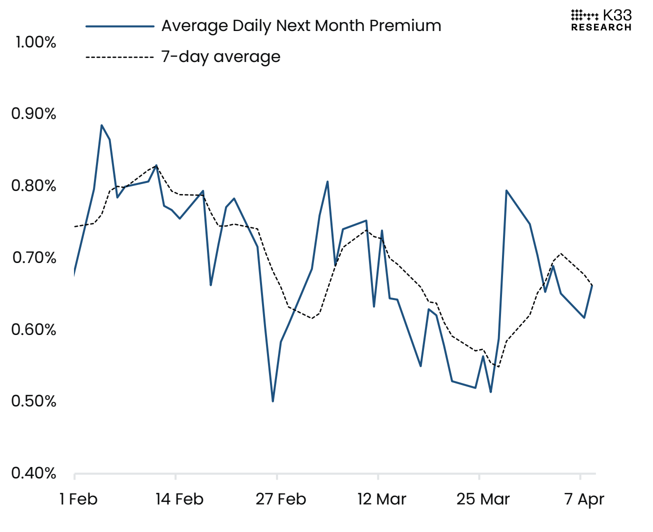
While active market participant exposure has grown, this cohort's aggregate exposure sits at relatively muted levels of 63,750 BTC.

Figure 6: **Basis stable amidst the shakeout**
CME BTC and ETH Futures Annualized Rolling 1mth Basis



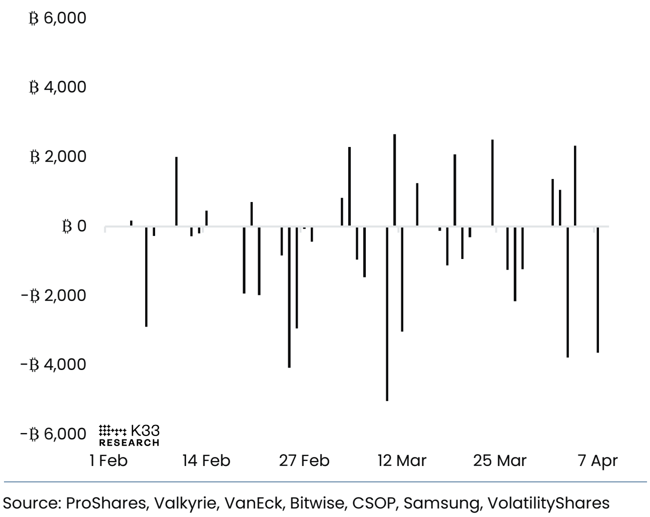
Source: Tradingview

Figure 7: **Next month premium retraces to 0.7%**
CME BTC Futures: Average Daily Next Month Premium



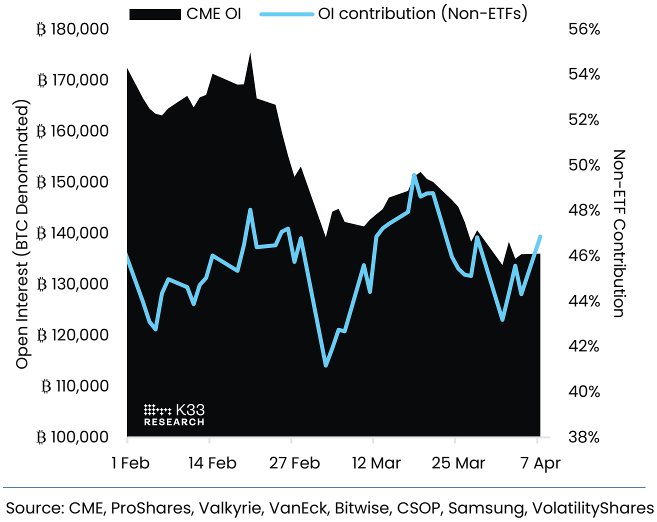
Source: Tradingview

Figure 8: **Continued VolatilityShares outflows**
Futures-based ETFs: Net Flow – BTC Equivalent



Source: ProShares, Valkyrie, VanEck, Bitwise, CSOP, Samsung, VolatilityShares

Figure 9: **CME Open Interest stays stagnant**
CME BTC Futures: Open Interest



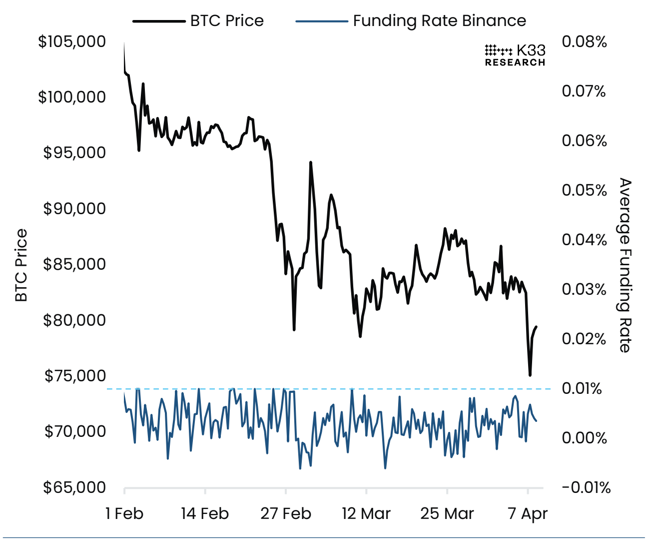
Source: CME, ProShares, Valkyrie, VanEck, Bitwise, CSOP, Samsung, VolatilityShares

Derivatives
Perpetual Swaps and Options

Perpetual swaps
Funding rates have hovered below neutral levels over the past seven days, briefly visiting negative levels ahead of the Sunday market crash. This is indicative of some traders positioning correctly ahead of BTC's leg lower from $82k to $78k. The overall behavior in perps remains defensive, with perp traders also handling the sell-off orderly.

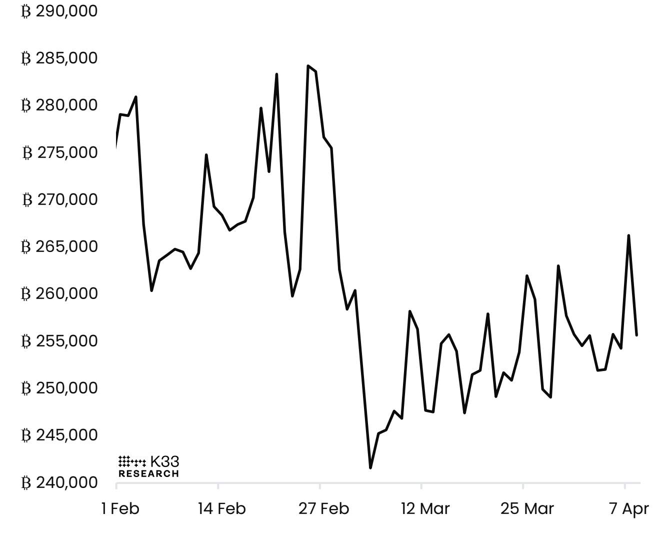
OI briefly spiked to 1mth highs of 266k BTC ahead of the sell-off but has since fallen to 255k BTC. Since bottoming at 241k BTC on Mar 5, we have seen a slight uptrend in OI of higher lows with leverage gradually accumulating amidst BTC's chop.

Figure 10: Below neutral, but orderly perps
Bitcoin Perpetuals: Funding Rates vs BTC Price



Source: Binance, Laevitas

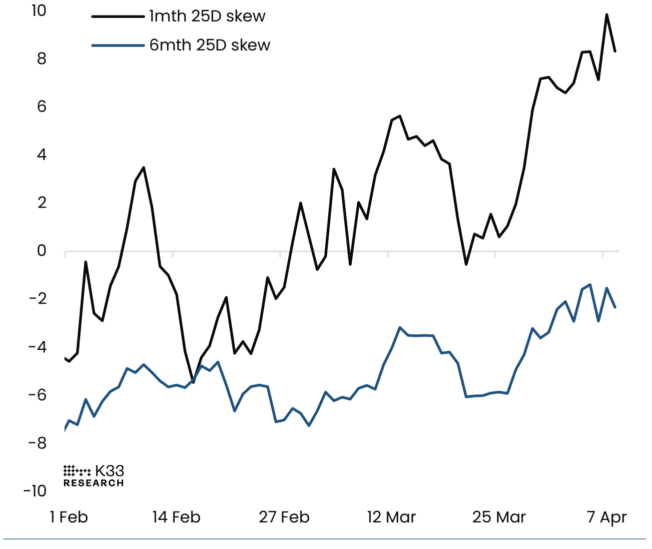
Figure 11: Perp OI spiked to 1mth high amidst the Monday crash
Bitcoin Perpetuals: Open Interest



Source: Laevitas

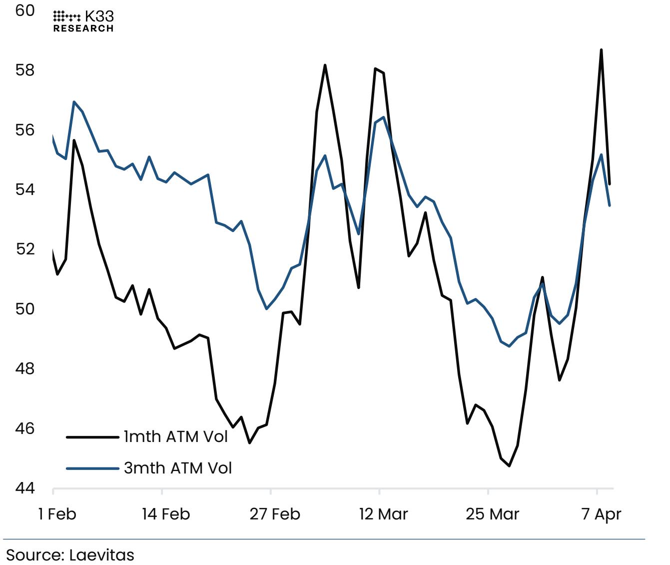
Options
Options traders are also defensive. 1mth 25d skews climbed further over the past week and remain at 18-month highs as the tariff bonanza spurs considerable demand for downside protections. 6mth 25d skews have climbed to levels not seen since June 2023, as spiking recession fears have seen increased demand for downside protection across longer tenors.

Figure 12: Outsized demand for downside protection
BTC Options - 25D Skew (1mth + 6mth)



Source: Laevitas

Figure 13: 1mth IV spike to 10 week high
BTC Options – Implied Volatility



Source: Laevitas

A deeper dive

BTC endures the tariff shock

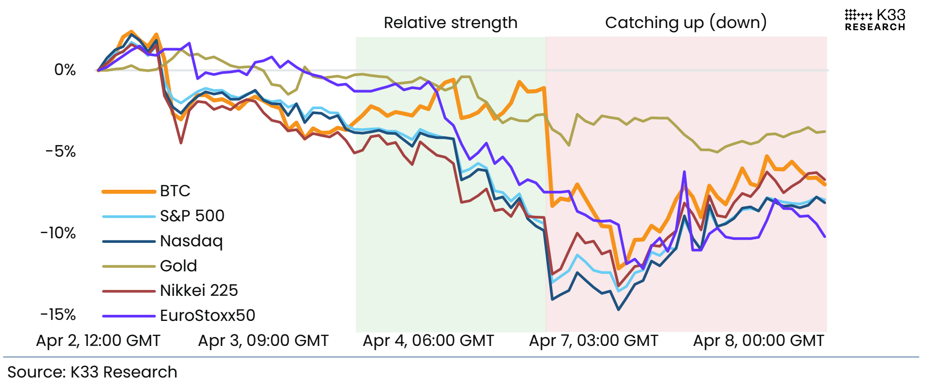
A global meltdown ensued following Liberation Day when Trump announced massive tariffs on its trading partners based on the U.S.'s per-nation trade deficit. The announced tariffs are scheduled to go live on April 9, with China's retaliatory tariffs going live on April 10. Global markets have deteriorated amidst the tariff maelstrom, with the S&P 500 seeing its biggest 2-day decline since March 18, 2020.

Tariffs impact the global economy, and U.S. equities are far from alone in facing an abnormally steep sell-off. Since the announcement, the Hang Seng index has fallen 14%, Nikkei 6%, and Eurostoxx 11%. BTC initially held strong during the first wave of selling, but nosedived on Sunday and Monday, ultimately tracking equities – while seeing a slight outperformance. Even gold has slipped post-announcement, underscoring the intense global dash for liquidity.

Conditions remain rocky and uncertain. The method used to derive these tariffs has rightfully been ridiculed. However, the method accomplished two feats: a) establishing huge tariff rates, forcing other nations into early negotiations or retaliations, and b) portraying Trump to his supporters as kind and soft for applying "half" the "tariff rate" of other countries. For the path ahead, understanding a) is the most important factor.

Tariffs are expected to launch on April 9; in their current form, they are destined to reap havoc on global consumption, justifying the market's steep decline and raising recession risks. However, given the hostile tariff entry points, we expect prompt negotiations leading to lowered tariffs. Further, if equity indices continue their meltdowns, financial instabilities may erupt, forcing central banks and governments into crisis mode, leading to fiscal and monetary policy stimulus to keep the wheels running. In such environments, BTC's scarcity offers a compelling narrative for any investor.

Figure 14: Performance since Apr 2 (Foreign indices USD Adjusted)



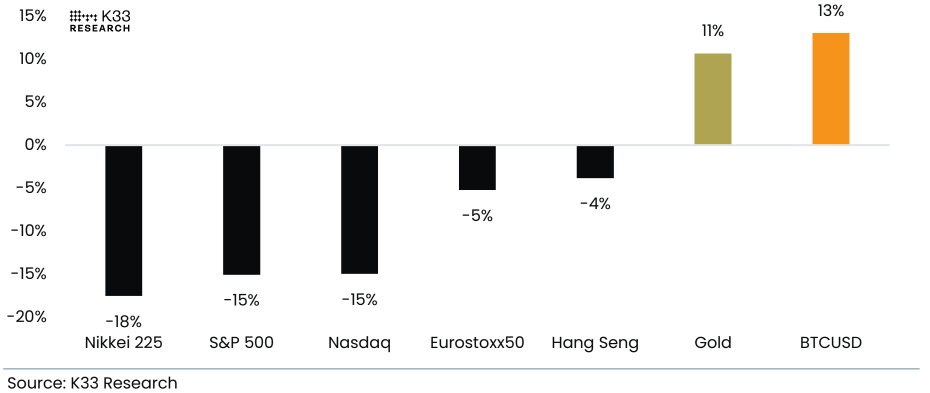
Source: K33 Research

When in doubt, zoom out

BTC has seen a peak to through drawdown of 32% since Trump's inauguration, resembling the drawdown faced from March to August 2024. That said, BTC still trades higher than it did during election day, which is in sharp contrast to equities. BTC still outperform gold since the election, but only with a narrow lead, and with a very different directional momentum over the past few months.

BTC's strength since the election may be justified by other US policy moves. Executive Orders covering a Strategic Bitcoin Reserve and Regulatory Clarity create a robust foundation for BTC in the medium to long term and, in our opinion, make current price levels an attractive area to buy.

Figure 15: Performance since November 4 (USD Adjusted) – Apr 7, 13:00 CET



Source: K33 Research

A deeper dive

Relative strength, despite lagged impulse lower

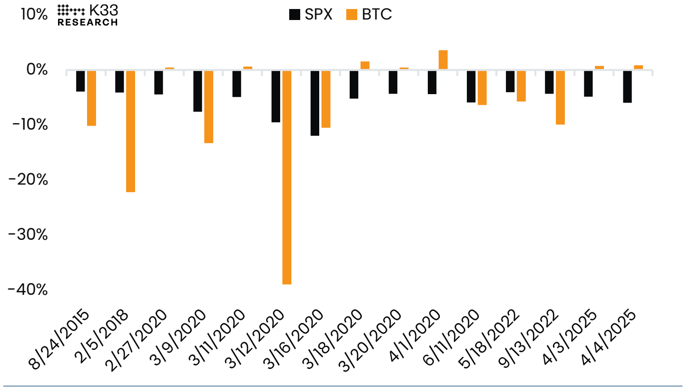
Calling the past week unusual is an understatement. Friday saw the S&P 500 face its worst daily return since March 16, 2020 – a move mirrored by major equity indices across the globe. The directional tantrum softened on Monday, but not the volatility. S&P 500 closed the day down 0.23% compared to the Friday close but saw a daily high/low variation of 8.51%, the third-largest intraday high/low spread since 2010.

Remarkable price action was also present in BTC over the past week but through a different lens. Steep S&P 500 sell-offs are typically mirrored by even steeper BTC sell-offs, and similarly, extreme equity volatility is typically mirrored by considerably more extreme BTC volatility.

The S&P 500 saw daily returns of -4.9% on Thursday and -6% on Friday. BTC saw daily returns of 0.8% on Thursday and 0.8% on Friday. This is very abnormal, as illustrated in Figure 17. BTC typically declines by a multiplier to the S&P during steep sell-offs, particularly during sell-offs as steep as the Friday sell-off. During the weekend, BTC faced a sell-off, indicative of the stable Thursday and Friday prices reflecting a lagged response. That said, BTC has strengthened against equity indices since the April 2 tariff announcements, a highly unusual observation considering the immense de-risking occurring over the past six days.

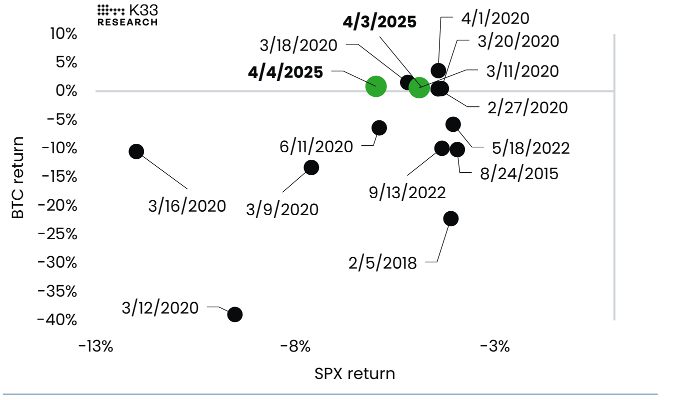
Further, while the S&P 500 faced its third-largest daily volatility since 2010 on Monday, BTC's intraday volatility of 9% is within the 10th percentile of daily intraday volatility over the past five years, meaning that 1 in 10 trading days over the past five years have seen more significant intraday volatility than what BTC faced yesterday.

Figure 16: 2012-Today: 15 Deepest Daily SPX Drawdowns vs. BTC



Source: K33 Research

Figure 17: 2012-Today: 15 Deepest Daily SPX Drawdowns vs. BTC



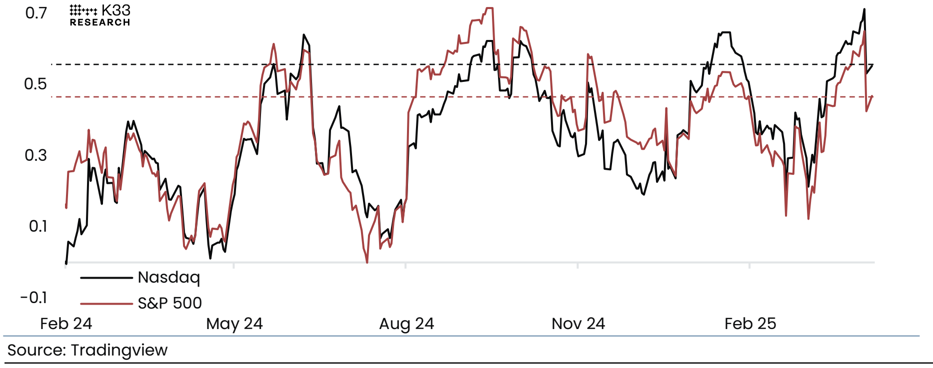
Source: K33 Research

Lagged reaction, but still strongly correlated

On April 3, Bitcoin's 30-day correlation to Nasdaq reached 0.71 — its highest level since October 2022. That correlation has since declined, reflecting BTC's recent relative strength. Nonetheless, current correlations with both the S&P (0.47) and Nasdaq (0.55) remain high compared to the past year, mirroring correlation levels from previous consolidation periods in early May 2024 and August-October 2024. This highlights that in the short to medium term, BTC continues to move in lockstep with other risk assets.

That said, tendencies of unique price action, as observed on Thursday and Friday, alongside orderly high/low variations on Monday, paint a promising picture of potential relative strength ahead in BTC. In the medium term, Trump uncertainty predominantly introduces downside risks to equities with the tariff situation. In contrast, Trump uncertainty introduces potent upside risk in BTC with both the Strategic Bitcoin Reserve and regulatory clarity. This asymmetry supports a compelling case for relative BTC strength.

Figure 18: 30-day correlation: S&P 500 and Nasdaq vs BTC

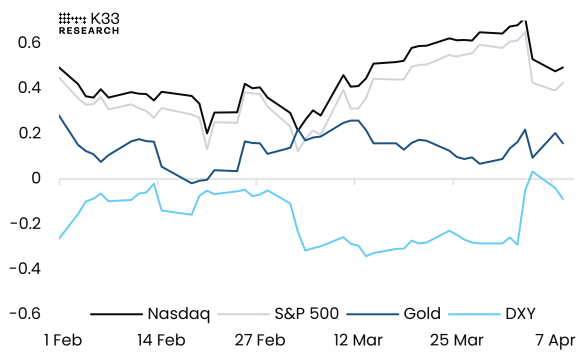


Source: Tradingview

Market Related Charts

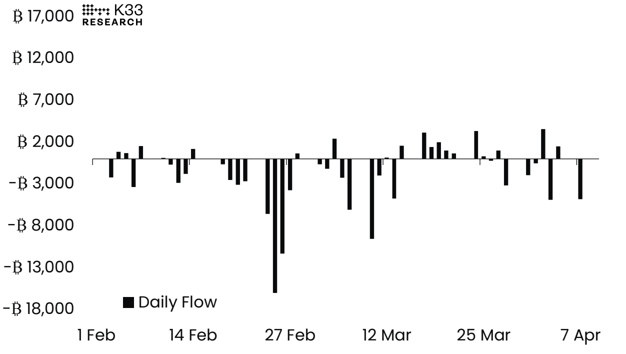
Data updated Tuesday, April 8, 2025

Figure 19: BTC 30-d correlations*



Source: Tradingview *Pearson

Figure 20: Daily Flows (BTC ETFs)



Source: K33 Research

Figure 21: BTC Dominance

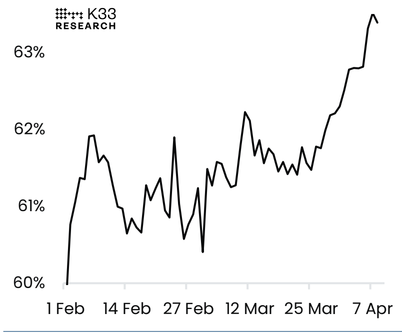


Figure 22: BTC + Stables Dominance

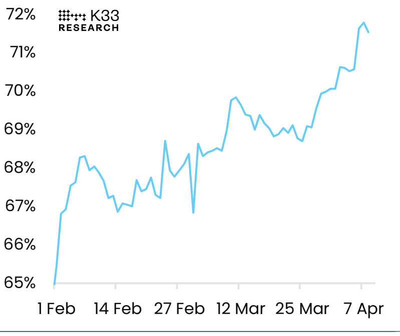
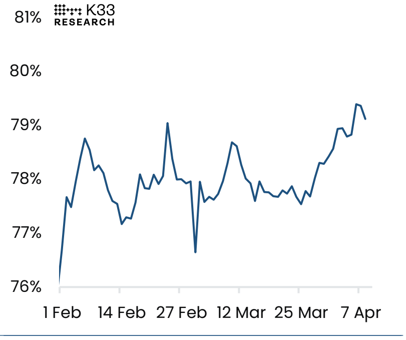
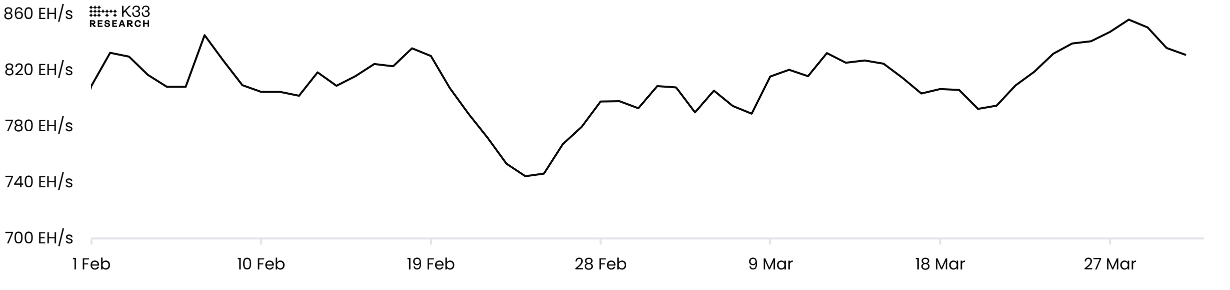


Figure 23: BTC + Stables + ETH Dominance



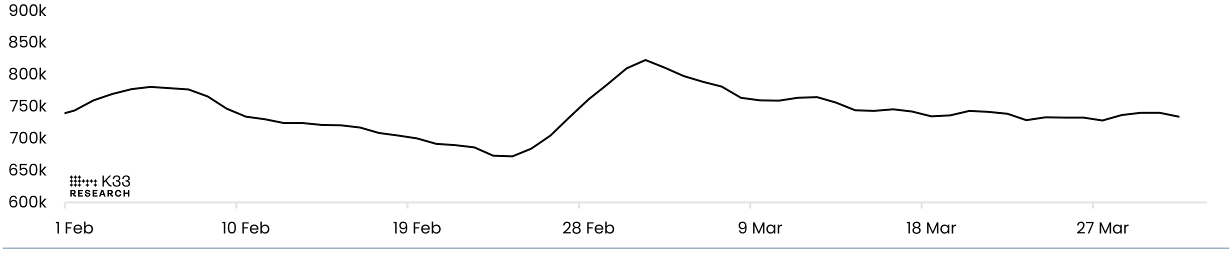
Source: Tradingview

Figure 24: Bitcoin Hashrate (7-day average)



Source: Coinmetrics

Figure 25: Active Addresses (7-day average)



Source: Coinmetrics

Why we choose the charts we do

Heavy Bitcoin focus
The crypto market is heavily correlated. Movements in BTC tend to be reflected by sharper moves in altcoins. In many ways, BTC is the lower beta exposure alternative to crypto and the definite market leader. However, don't worry – whenever we find a topic, a coin, or some tendencies worth drilling deeper into – we will. This report will get you the most important information from the crypto market.

Market by the numbers
We highlight the most critical market data by numbers in this table. A glance at these data should be sufficient to assess the state of the market superficially.

Open interest is an essential underlying market driver. Crypto tends to be very volatile, and leverage exacerbates volatility. We have had frequent massive liquidation cascades throughout the last years, mostly towards the downside, but we've periodically seen short squeezes emerge. During the March 12th collapse in 2020, cascading liquidations were the root cause of the absolute carnage in the market. You should always pay close attention to open interest if you aim to be an active participant in the market. Our derivatives pages will contribute to delivering you a directional assessment of the data.

The spot volume is an efficient way to gain an overview of the general activity in the market.

Correlations have been growingly important in the last year due to the complicated macro picture post-COVID. It's important to be aware of BTC's, for now, close relationship with U.S. equities and its inverse relationship with the dollar strength index (DXY). However, the current correlation regime is unlikely to be as strong as today forever. Through awareness of correlation trends, you may be able to execute trading strategies before the market catches up to correlations breaking.

The simplified market cap distribution box allows you to assess the general risk sentiment in the market quickly. In general, the "Rest" category may be used as a proxy for risk aversion in the market. Currently, BTC, ETH, and stablecoins represent nearly 75% of the crypto market, which is telling for a risk-averse crypto market.

The two charts on the first page illustrate the two most interesting topics covered in our market analysis. A more thorough examination of these charts is found in the last section of the report, where we dive deeper into two topics that currently seem to drive the market.

Spot Primer

Top 3 coins
We explore the last week's performance of the top 3 cryptocurrencies to asses deviations and opportunities within the safer bracket of digital assets. Currently, BTC, ETH, and BNB represent the three largest. Both ETH and BNB have a thriving DeFi user base and unique drivers of price and demand, which could generate temporary or long-term correlations within crypto to decline as trading opportunities arise or spread trade opportunities.

Indexes
We use the Bletchley Indexes to gauge and assess market activity across BTC and altcoins grouped by market cap size. Documentation for the index weights may be found at through this link.

Volume
The BTC spot volume is an efficient way to communicate the general activity in the market. It may help you identify frantic market bottoms or peaks. Our volume data is based on Bitwise's 10. In 2019, Bitwise explored wash-trading and market manipulation in the spot market, leading to this index. In general, our volume assessment likely underestimates the volume to some degree, as legitimate volumes in other exchanges are excluded. However, the volume estimate is a good proxy for general activity in the market.

We differentiate Binance's volume from the remainder of the exchanges due to Binance's removal of trading fees this summer. We believe a substantial amount of the recent trading volume on Binance is related to "in-organic" trades, i.e., high-volume trading strategies that were not economically feasible prior to fees being removed. Of course, removing fees has likely also contributed to moving traders from alternative exchanges over to Binance.

Volatility
Volatility is a topic well worth paying attention to. In specific periods, such as the current – where BTC trails in a shallow volatility regime, new trading opportunities emerge related to options and straddles. This chart is handy to pay close attention to, as it may help you enhance your ability to act on opportunities in the market when activity is low and options are becoming cheap.

Derivatives primer

Why should you care about derivatives flows?
The crypto market is periodically extremely volatile, and activity in derivatives enhances the market reactions. Crypto derivatives are at the cutting edge of financial innovation, the offshore market is periodically wild, and animal spirits tend to take over. Derivatives more or less always carry a clue of overheating in the market or full-on depression. It's highly actionable and worthwhile understanding if you aim to be an active crypto market participant.

The market is also clearly divided. There are two branches worth monitoring – institutional and offshore. Both components periodically lead the market, and assessing sentiment and general risk aversion in these two provides you the tools to understand dangers or opportunities on the horizon.

CME – The importance of a cash-based futures market in BTC
Institutional traders strongly impact BTCs price discovery, as identified both by Bitwise and by us. However, many institutional traders have limitations regarding access to crypto markets or even related to holding BTC. CME provides the most accessible, most efficient access to crypto markets for those traders. CME also has the added caveat of a familiar clearinghouse structure, leading to fewer barriers to entry for crypto exposure for institutional traders.

We assess institutional sentiment by monitoring the futures basis and contract spreads between the front month (upcoming expiry) and the near month (next expiry). In general, a positive and high futures basis on CME indicates a positive sentiment, whereas a negative basis indicates the opposite. We include Binance's basis to compare offshore and CME premiums to highlight different sentiments between institutional traders and retail. While Binance have institutional traders, they also enable easy access to derivatives for retail, which may provide useful information ahead of periods of distress.

We monitor aggregated ProShares flows, meaning inflows and outflows to both ProShares' long BTC ETF (BITO) and short BTC ETF (BITI) on the CME page. In the chart, inflows to BITI will be calculated as a negative flow impact, while inflows to BITO will be calculated as a positive flow impact. The opposite is true for outflows from the ETFs mentioned above. ProShares are by far the largest U.S. BTC ETF provider, holding a substantial amount of BTC contracts on CME. Retail and institutions have access to BITO and BITI. Periods of strong aggregated flows to BITO may substantially impact CME's basis. An interesting scenario that has yet to emerge would be one scenario with neutral flows but a rising CME basis. In this scenario, one can assume that certain institutional players actively add long BTC exposure.

We further monitor CME's open interest and the contribution of ETFs to the open interest to assess the degree of activity in CME futures.

Perpetual swaps
Perpetual swaps are the most frequently traded derivative in crypto markets. It's an everlasting futures-like instrument, utilizing funding rates to secure that perp prices align with spot markets. There are certain intricate nuances to funding rates, for instance, varying funding intervals and varying neutral funding rate thresholds. In normal conditions, Binance and Bybit's funding rate sits at 0.01% every eight hours – meaning longs pay shorts a fee. This structural element in crypto derivatives may lead to a natural structural contango. They may be utilized for cash and carry strategies (albeit in a non-arbitrage fashion, assuming that funding rates will average around neutral terrain).

During roaring markets, funding rates tend to be pushed towards extreme highs due to enormous demand to go long, leading perps to trade at a substantial premium over spot. By assessing funding rates, you may be able to act on market moves and liquidation cascades prior to a liquidation cascade. Similarly, funding rates may sit in extremely negative terrain during bear markets, foreshadowing potential short squeezes.

We monitor open interest in perps to better gauge the risks of soaring volatility and market instability. We monitor open interest in notional value, i.e., in BTC, to have a clear eye on the relative leverage in the market. Currently, the open interest sits at all-time highs in notional value. This is a dangerous trend, and we view it as likely that this will generate a dramatic reaction when BTC breaks out of its prolonged consolidation. Cascading liquidations may occur in both directions, so the open interest is best used as a proxy for how volatile a spike may be.

Options
We monitor two options charts. The 25-delta skew, which is a metric comparing the implied volatility of a 25-delta put option vs. a 25-delta call option, normalized by at the money implied volatility. Counter-intuitively, when the 25d skew is positive, traders are paying more for puts than calls and may be assessed as cautious/bearish behavior in the options market. The opposite is true when skews are negative. Skews trending in a certain direction may also elaborate on repositioning from options traders and is worth paying attention to. We show the 1-month skew for contracts expiring by the end of the month, and the 6-month skew, for contracts expiring half a year from now to assess differences in positioning across maturities.

The implied volatility illustrates options traders' forward-looking assessment of volatility – or the options pricing. Implied vols in BTC are rarely trailing below 60 for long, and this has previously been a good time to enter straddle strategies.

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