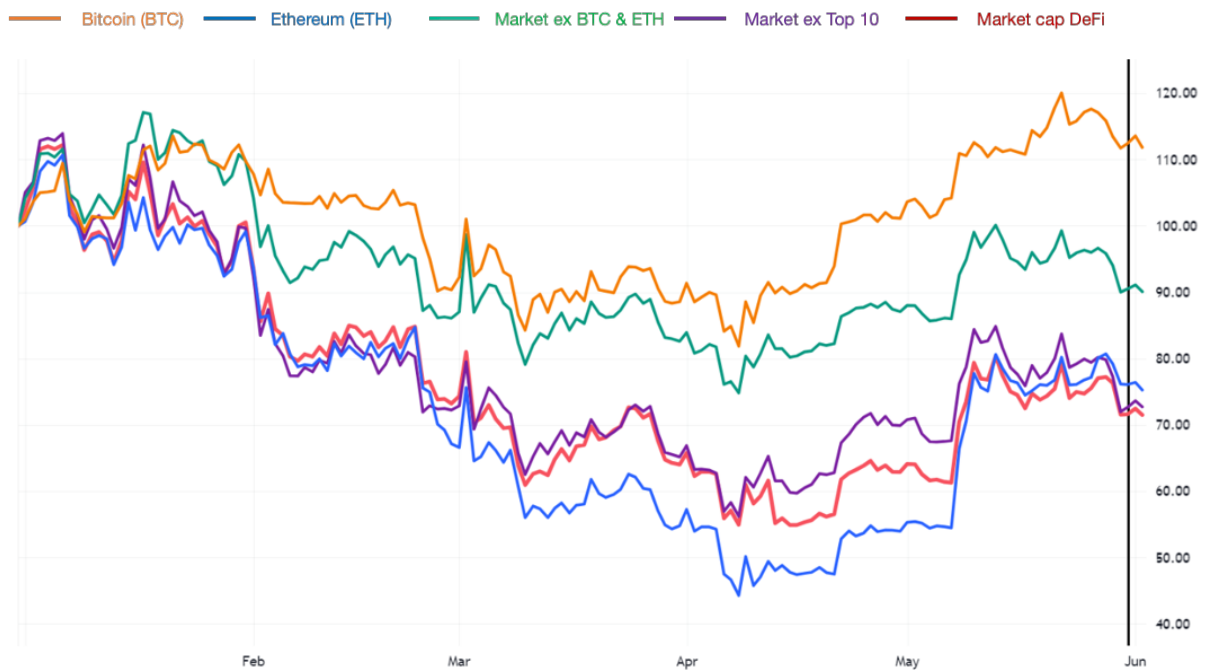


Crypto markets experienced a major positive reversal in May, with ETH showing a stellar return of +41% and posting an impressive recovery from its year low. Bitcoin (BTC) rose 11.0% and the CCI30 9.9%, with the broader market participating in the recovery. As a result, the total crypto market capitalisation ended the month at \$3.2tn (vs \$2.9tn in March). BTC's dominance remained stable around 64%.

Digital assets' performance by market segment YTD (market cap based)



Source: TradingView, BAM

Note: Performance of BTC, ETH, the total market cap excluding BTC & ETH, the total market cap excl. the first 10 tokens by market cap and the total market cap of the DeFi sector YTD. The performance in June is shown to the right of the vertical line to show development since May's month-end.

The month of May was marked by the U.S. Federal Reserve's efforts to reassure markets, the advancement of the GENIUS Act in the Senate (stablecoin legislation) and Moody's downgrade of the U.S. credit rating.

The FED signals stability and calms recession fears...

The U.S. Federal Reserve (Fed) maintained the federal funds rate at 4.25%–4.50% during its May meeting, signalling a cautious approach amid economic uncertainties. While market participants were entirely focused on macro-economic risks (higher inflation, recession...) and the escalation of Trump's tariffs wars, the Fed managed to reassure markets which helped deflate recession fears and **stabilised** sentiment across risk assets.

...triggering a surprise market relief rally.

While just a few weeks ago, many investors were convinced that a bear market and recession were imminent, which would have inevitably led to lower crypto prices, Bitcoin reached a new all-time high above \$112,000, driven by ETF inflows and institutional interest. Ethereum (ETH) rebounded to approximately \$2,650 and the broader market rallied as well.

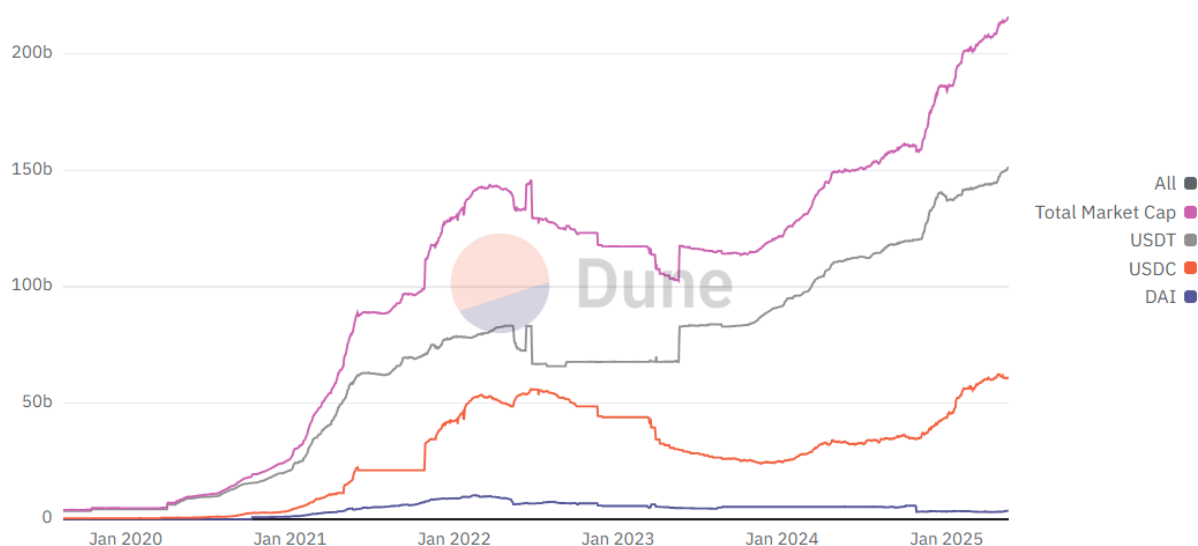
Ironically, the rally coincided with Moody's downgrading the US credit rating from Aaa to Aa1, the rating agency citing escalating federal debt and rising interest costs due to the House's approval of President Trump's "One Big Beautiful Bill Act" (with tax cuts projected to add over \$4 trillion to the deficit over the next decade).

Regulation on the move: the GENIUS act is a game changer

The other major progress lifting investors spirits in May was the swift advancement of the GENIUS Act, which sparked enthusiastic reactions in the crypto market, with the DeFi and RWA sectors leading the way. Indeed, the GENIUS Act will be the first comprehensive federal regulatory bill for stablecoins in the US. The rationale is that the passage of the bill will provide a qualitative and developmental space for stablecoins to be «fully compliant», giving traditional companies and investors a more reasonable justification for entry. The market is also looking forward to the influx of new capital, injecting new liquidity into related crypto assets.

According to Citibank's predictions, the global stablecoin market size is expected to reach \$1.6 to \$3.7tn by 2030, representing a significant increase from the current \$230bn market cap.

Stablecoins - evolution of the total market cap (in \$)



Source: Dune, @delev212/stablecoin mcap

More specifically, the GENIUS Act's implementation is expected to significantly strengthen DeFi protocols that are integral to stablecoin operations, particularly those facilitating lending, trading, yield generation, and infrastructure support. These platforms are likely to experience growth due to increased user trust, institutional participation, and overall market expansion driven by regulatory certainty. Major US banks, including JP Morgan, have taken note and are reported to have begun talks to launch a joint stablecoin. With regulation in place soon, stablecoins will be favoured and it will yield enormous growth in digital assets markets (substantial inflows, increased adoption from TradFi). Additionally, the activation of fee-

sharing mechanisms (“fee switches”) by DeFi protocols is set to enhance tokenholder value, with price and valuation increases expected to follow in this scenario.

Why such an acceleration now?

It seems that a stablecoin regulation has become a key priority for a Trump administration eager to secure the leadership of the US dollar worldwide and facilitate the financing of the government debt: “If we provide the legal clarity and legal framework for this, I think we could create trillions of dollars of demand for our Treasuries practically overnight, very quickly.” (Sacks, Trump’s crypto advisor).

- [With Moody's downgrade, US loses treasured Aaa credit rating](#)
- [Fed Quietly Buys \\$43,600,000,000 in US Treasuries in Alleged ‘Stealth QE’ Operation After China Abruptly Dumps Billions in Bonds](#)
- [Senate overcomes key hurdle to pass crypto bill](#)
- [Hong Kong passes stablecoin bill to establish licensing regime amid global competition](#)
- [White House crypto czar David Sacks says stablecoin bill will unlock ‘trillions’ for U.S. Treasury](#)
- [Big Banks Explore Venturing Into Crypto World Together With Joint Stablecoin](#)

The correction is over

The rally in May has followed an inverted head & shoulders pattern, which is a recovery pattern typically seen after a period of consolidation. As a result, the short-term trend has turned more positive in a generally positive longer-term trend. While it’s likely that some sort of choppy market can be expected in the near term, the primary trend has turned undeniably positive. With BTC experiencing new all-time highs, it is a matter of time before the broader market catches up.

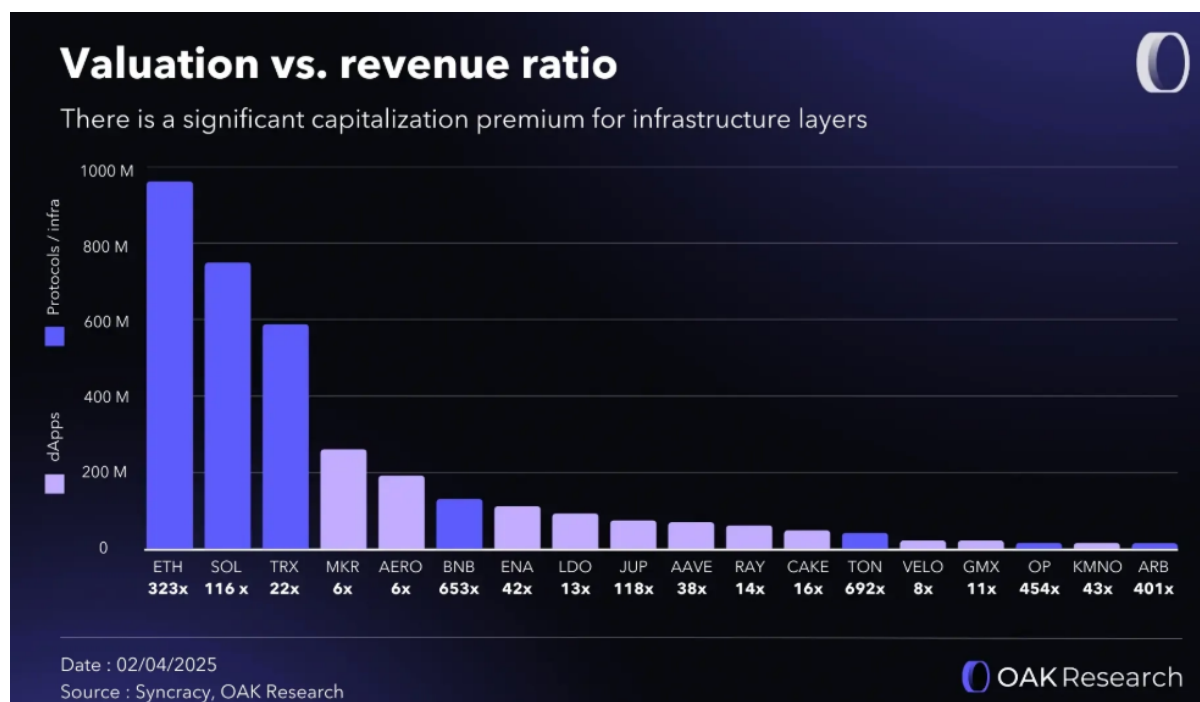


Source: TradingView, BAM

Note: Evolution of the Total Market cap ex BTC & ETH with daily and weekly prices, as of May 30 2025

Mid caps and DeFi Dapps look attractive

While BTC and to some extent, leading L1 protocols such as Ethereum (ETH) and Solana (SOL) have already reached sizeable valuations, most of the broader market (outside the top 10 tokens by market cap) has not experienced a re-rating in this cycle yet. Indeed, big blockchain infrastructure layers have tended to gain enormous valuations while dApps have lagged, particularly in the DeFi sector. When comparing their valuation with their Price-to-revenues ratio, the disconnect looks very clear, suggesting that DeFi Dapps have a meaningful re-rating potential vs existing blockchain infrastructure leaders.

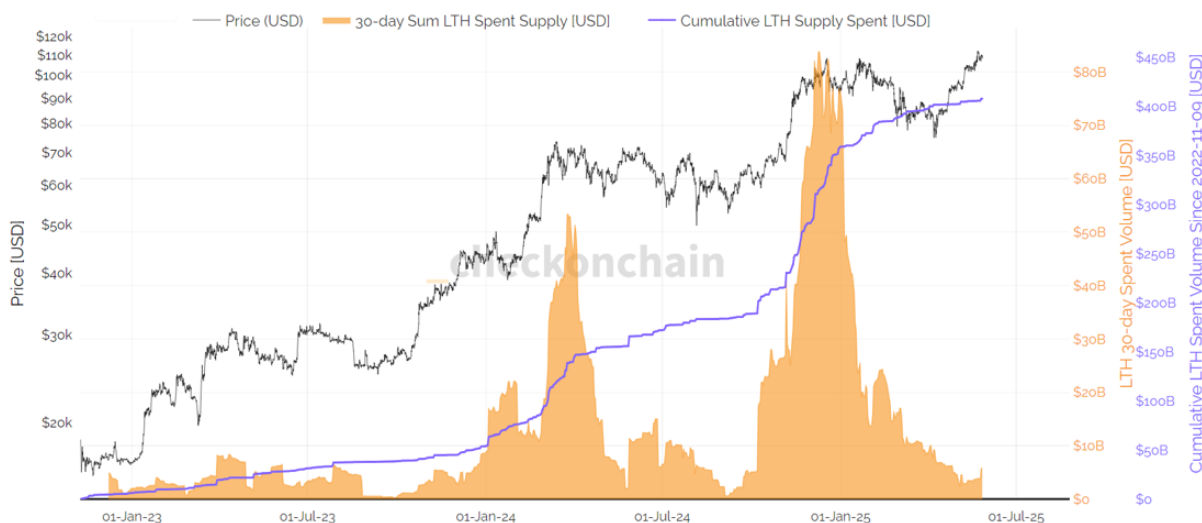


No sign of a major market top

With BTC having experienced a new all-time-high, some investors have become wary of a potential major market top. When reviewing important market metrics such as the BTC Long Term Holders distribution, Top Altcoins' market breadth, BTC market dominance, Funding rates, demand for loans on Aave, trading volumes or sentiment surveys (google search), the message could not be clearer: there is currently no confluence of market indicators suggesting that a major market top is imminent. This will come at a later stage, **when we may see evidence of market froth and excessive speculation (there is none now).**

■ Bitcoin Long Term Holders

Last December, we saw Long-Term Bitcoin Holders aggressively selling Bitcoin (see the 30 days sum below) as Bitcoin was experiencing its first all-time high since the previous bull cycle. This time, they did not sell at BTC's new all-time high in May, a sure sign of strength/confidence.



Source: Checkonchain

Note: Long-Term Holders are wallets that have been holding Bitcoin for more than 155 days. The indicator provides insights into the behaviors and decisions of investors who are more resistant to market volatility and have a stronger belief in the future value of Bitcoin.

■ Market breadth (top Altcoins)

Last December, we saw our market breadth indicator showing signs of overheating (see vertical line). We are currently still very far from this threshold, suggesting that there is still ample room for expansion before the market start approaching this danger area again.



Source: TradingView, BAM

Note: Percentage of Altcoins outperforming BTC over a year based on the following basket of top Altcoins by market cap (with data series over the period): ETH (Ethereum), XRP (Ripple), BNB (Binance coin), SOL (Solana), DOGE (Doge coin), ADA (Cardano), TRX (Tron), AVAX (Avax), LINK (Chainlink), XLM (Stellar), SHIB (Shiba), HBAR (Hedera), BCH (Bitcoin cash), LTC (Litecoin), DOT (Polkadot).

■ BTC Market dominance

BTC'S dominance is currently fluctuating within a key resistance area and has now stabilized around 64%. While there has been no short-term sign to indicate an imminent reversal, this area has proven to be a reliable indicator to identify market expansions in the past. Besides, a bear market has never started from such a high BTC dominance. The next move has traditionally been a wider market rally 'altseason'.

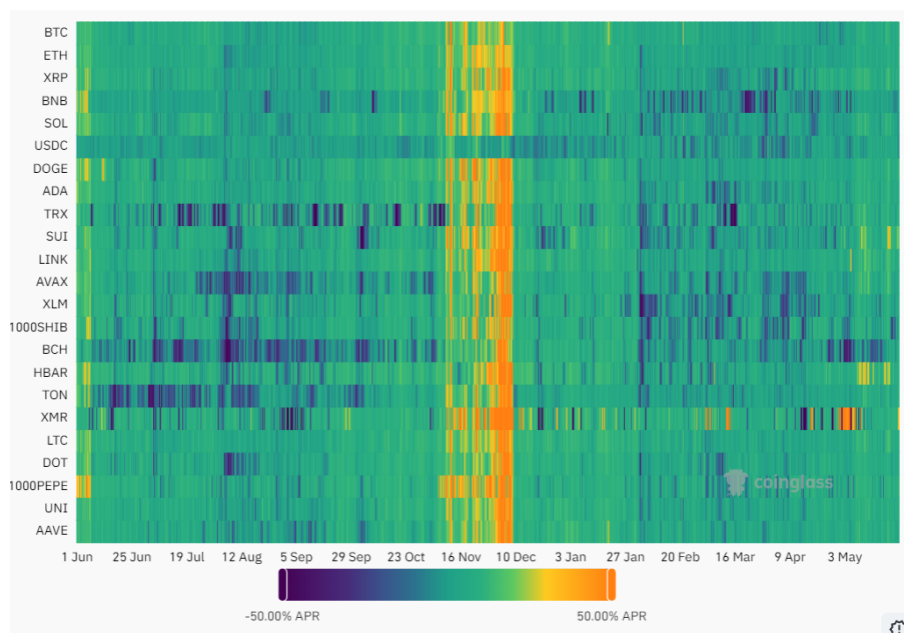


Source: TradingView, BAM

Note: evolution of BTC's dominance with BAM projections (light blue)

■ Funding rate (heat map)

The rally in May has not been followed by the typical increase in funding rates, which would have suggested that investors have turned very bullish and are desperate to buy the rally. No overheating yet.

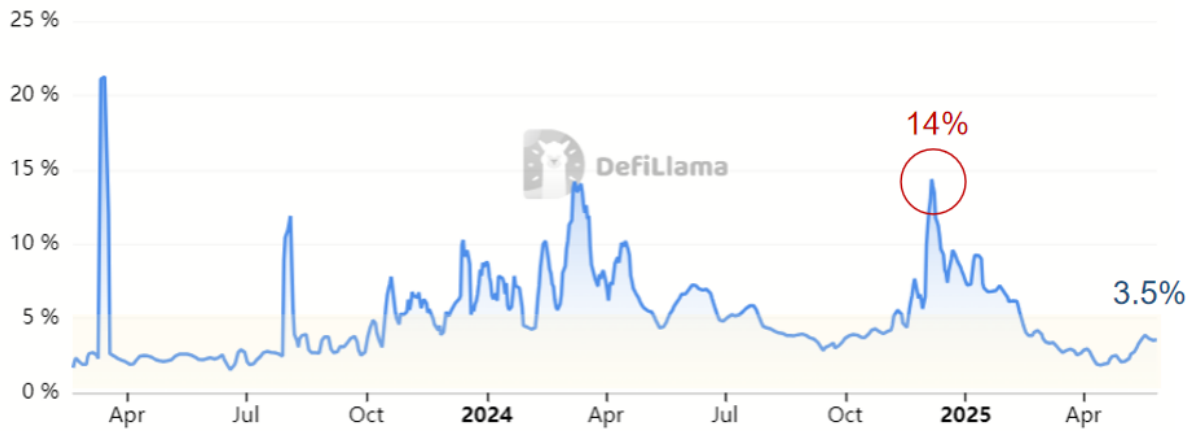


Source: Coinglass

Note: Funding rates for top tokens, with the highest rates identified by the orange color. Funding rates depend on how big of a gap exists between spot and perpetual futures, in order to close the gap again. High Funding rates are associated with market excessive market optimism, usually followed by a local market top as investor sentiment cools down.

■ Demand for loans (Aave)

Last December, the high demand for loans led to a spike in market rates (14%). Current market conditions show no sign of any excessive speculation, with market rates remaining in the low end of their long-term range (yellow area below).

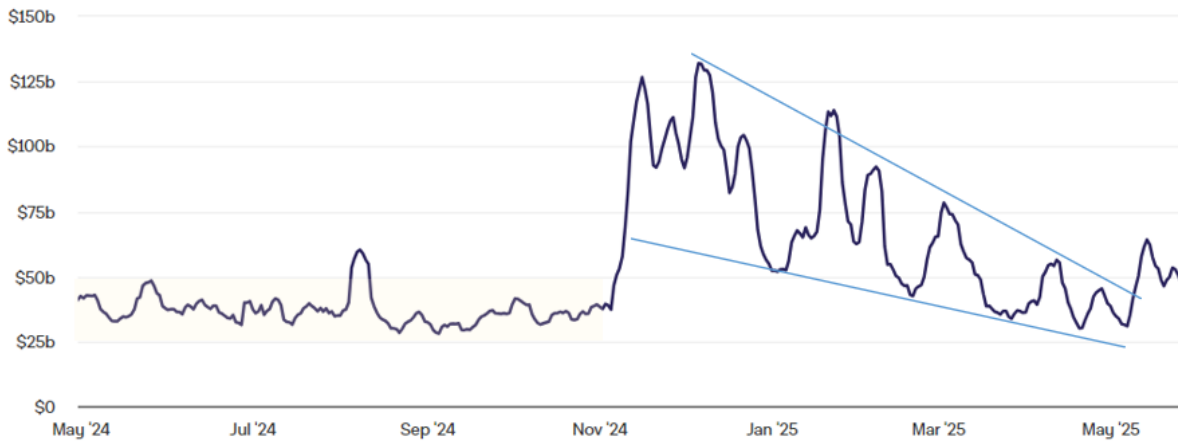


Source: Defilama

Note: 7 day moving average of Supply APY on Aave. Supplying tokens to the Aave Protocol liquidity pools allow users to earn interest on their digital assets (tokens are used as collateral to facilitate the borrowing of tokens).

■ Trading volumes (Centralized Exchanges)

Last December, trading volumes skyrocketed as investors rushed to buy cryptos. Since then, we have seen trading volumes revert to their long-term range, showing that excessive speculation has disappeared. We are now expecting volumes to pick-up to fuel higher prices.



Source: theblock

Note: 7 day moving average of Spot market total volume for cryptocurrency exchanges including Binance, Coinbase, Bitfinex.

■ Google search : Bitcoin & Altcoins

We are still very far from euphoria. Interest in cryptos has not even reached levels consistent with previous local tops, let alone the previous bull cycle high (see 2021). Sentiment for Altcoins appears to be particularly depressed, with people interest remaining at lower levels, even after the recovery in May.

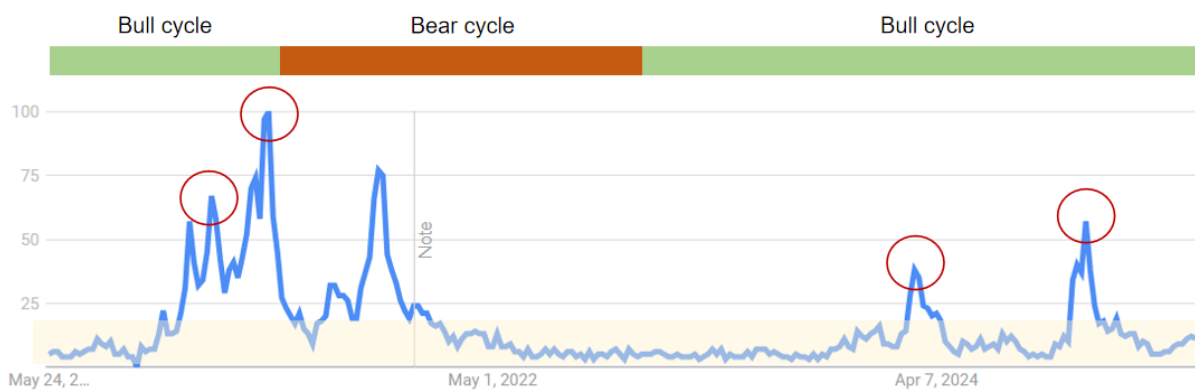
Interest over time: «Bitcoin»



Source: Google trend

Note: Search term «Bitcoin» in the US. Numbers represent search interest relative to the highest point on the chart. A value of 100 is the peak popularity. A value of 50 means that the term is half as popular.

Interest over time: «Altcoins»



Source: Google trend

Note: Search term «Altcoins» in the US. Numbers represent search interest relative to the highest point on the chart. A value of 100 is the peak popularity. A value of 50 means that the term is half as popular.

BTC news



Note: BTC price and long-term moving average (52 weeks), as of May 30 2025
Source: TradingView, BAM

Bitcoin (BTC) reached a new all-time high of \$112,030 on May 22. This surge was fuelled by institutional inflows and macro hedge interest. MicroStrategy, MARA, and MetaPlanet also continued to purchase more BTC on leverage while new BTC treasury companies announced plans to build a BTC treasury, emulating Michael Saylor's strategy (Twenty One, Nakamoto, Strive, Méliuz, Nuvve). As a result, total Bitcoin reserves across exchanges are now down 20% since November and 12% YTD to just 2.4M BTC and continue to trend downward.

- [Spot Bitcoin ETFs hit \\$109 billion AUM as institutional adoption accelerates globally](#)
- [BlackRock's IBIT enters top 5 ETFs in YTD flows amid \\$6.5B monthly bitcoin spree](#)
- [Bo Hines declares the US won't sell Bitcoin, seek endless accumulation for strategic reserve](#)
- [JPMorgan to Allow Clients to Buy Bitcoin, CEO Confirms](#)
- [Strategy and Metaplanet Bought Combined \\$870 Million Worth of Bitcoin](#)
- [Twenty One Capital 3rd Largest Bitcoin Holder After Tether's \\$459M BTC Buy](#)
- [Nakamoto Holdings Raises \\$710M to Launch Bitcoin Treasury](#)

ETH news



Note: ETH price and long-term moving average (52 weeks).
Source: TradingView, BAM

Ethereum's price climbed 41% in May, rising from around \$1,800 to over \$2,700. This rally was driven by increased institutional interest, growing ETF inflows, and the anticipation that the SEC could approve a first Ethereum staking ETF by the end of May 2025. Interestingly, Meta is believed to plan to launch stablecoins on the Ethereum blockchain this year, potentially onboarding up to 3.5bn users to the crypto ecosystem (source: Crypto Rover, Twitter, May 28, 2025).

- [Ethereum Gains 50% In A Month: ETF Staking Excites Investors](#)
- [Ethereum Price Breakout: Potential Altcoin Surge After ETH Breaks Yearly Downtrend in 2025](#)
- [3 reasons why Ethereum price could rally to \\$5,000 in 2025](#)
- [Meta Stablecoins Launch on Ethereum in 2025: Major Boost for ETH Price and Crypto Adoption](#)
- [Could Ethereum's Pectra upgrade power an ether comeback?](#)
- [Ethereum ETF Net Inflow Hits \\$84.9 Million on May 28, 2025](#)
- [Vitalik Buterin suggests implementing 'partially stateless nodes' to help scale Ethereum](#)

Altcoins news



Note: Total Market cap ex BTC & ETH and long-term moving average (52 weeks), as of May 30 2025
Source: TradingView, BAM

In May, the broader market confirmed its recovery above its long-term moving average (52 weeks). Investors focused on projects with real-world usage, technical upgrades (ETH, SOL, XRP), or clear regulatory standing.

Among the top 20 tokens, the biggest performer in May was Hyperliquid (HYPE), which experienced a remarkable 77% surge, reflecting its rise as a leading decentralized exchange (DEX) for perpetual contracts. Solana (SOL) underperformed (+7%) due to some profit taking close to month-end. On the bright side, SOL showed healthy on-chain activity and increased developer adoption during the month. Canada listed Sol Strategies filed a prospectus to offer up to \$1 bn in securities to deepen its investment in Solana. Tron (TRX) also performed reasonably well (+9%), becoming the leading platform for stablecoin transfers (before Ethereum). Laggards in May were XRP (-2.9%) and Sui (-8.2%).

- [Ethereum DEX trader activity surges 73% this month, led by Uniswap's continued dominance](#)
- [Circle courting acquisition bids from Coinbase and Ripple, asks for at least \\$5 billion: Fortune](#)
- [Solana Vs. Ethereum: Here's Why SOL May Dethrone ETH In 2025](#)
- [SUI: Latest Developments, Price Trends, and Technical Analysis in May 2025](#)
- [HYPE Token Skyrockets 315% in Just Two Months — What's Fueling the Surge?](#)
- [Aave Now Commands a Fifth of Total DeFi TVL](#)
- [Kraken opening digital tokens of Apple, Tesla and Nvidia to people outside the U.S.](#)
- [Franklin Templeton unveils Singapore tokenized money market fund](#)
- [Kraken Taps Solana Blockchain To Roll Out Tokenized American Stocks and ETFs for Non-US Traders](#)

Regulatory corner

In the US, Bloomberg reported that the Department of Labor has withdrawn its 2022 guidance regarding cryptocurrency investments in 401(k) plans, adopting a neutral stance and emphasizing that fiduciaries—not regulators—should make investment decisions. This change could open the door for 401(k) accounts to include private equity, private credit, and other alternative, non-public assets. Newly appointed SEC Chair Paul Atkins also announced plans to overhaul cryptocurrency regulations by creating clear guidelines for crypto tokens classified as securities. The SEC aims to establish a rational framework that promotes lawful issuance, custody, and trading of crypto assets while deterring misconduct.

In the EU, plans were announced to ban anonymous crypto accounts and privacy coins like Monero and Zcash by 2027 as part of a broader anti-money laundering initiative. In the UK, the UK government published draft legislation to regulate crypto assets. The proposed laws aim to bring crypto exchanges, dealers, and agents under the regulatory perimeter, define "qualifying crypto assets" and "qualifying stablecoins" as specified investments and apply standards on transparency, consumer protection, and operational resilience to crypto firms.

In Hong Kong, a new stablecoin bill was passed, establishing a licensing framework for fiat-referenced stablecoin issuers.

- [Breaking: Department of Labor Rescinds Crypto Guidance for 401\(k\) Plans](#)
- [US SEC chair says agency plans to create new rules for crypto tokens](#)
- [The European Union \(EU\) bans anonymous crypto: regulatory shift by 2027](#)
- [HMT publishes draft legislation for regulating cryptoassets](#)
- [Hong Kong passes stablecoin bill, one step closer to issuance](#)

Conclusion

Following a period of sharp correction, market dynamics have started to stabilise, supported by the confluence of many positive market indicators. While we are likely to go through some sort of retracement/choppy trade over the next few days/weeks, we believe that the correction is over and that the low is in for 2025. Momentum is gradually rebuilding, though full recovery to trend-level acceleration may take time and require patience. The good news is that the longer-term picture remains firmly bullish with a positive primary trend and no material signs of a cycle top. The BSF portfolio is strategically positioned to take advantage of this bullish scenario through its diversified allocation. This multi-strategy approach enables us to harness upside.

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