

Weekly Crypto Market Wrap

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This is not financial advice. As always, do your own research.

Week in Review

- President Trump [tasked](#) a working group to evaluate creating a national crypto reserve. The group will propose a regulatory framework for digital assets, including stablecoins, within 180 days, and has also acted to ban a U.S. CBDC.
 - The Official Trump (TRUMP) memecoin [launched](#) on Solana surged to \$79, helping Solana (SOL) hit a record \$295 before both retraced gains.
 - Coinbase [climbed](#) to 21st on Apple's U.S. App Store amid crypto hype before Trump's inauguration, up from 193rd earlier this month.
 - Osprey Funds & REX Shares [filed](#) for memecoin ETFs such as TRUMP, BONK, DOG.
 - CME website [hints](#) at XRP, SOL futures debut in February.
 - Keplr, a cryptocurrency wallet provider, has [secured](#) \$5 million in seed funding, bringing its post-investment valuation to \$50 million.
 - MicroStrategy [acquired](#) 10,107 BTC, bringing its holdings to 471,107, funded by a \$250M preferred stock offering, while increasing Class A shares to 10.3B and raising its average BTC price to \$64,511.
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Technicals & Macro

BTCUSD



Source: TradingView

Key levels

66,000 / 72,000 / 92,000 / ~110,000 (just north of the all-time high)

Thrilled to be back in the hot seat after the break! I managed to relieve South Australia of some of its wines in McLaren Vale and the Barossa region, and relaxed on Kangaroo Island thinking about what 2025 would bring. Kangaroo Island does not have that many kangaroos surprisingly, but I did manage to keep an eye on the crypto market bouncing around.

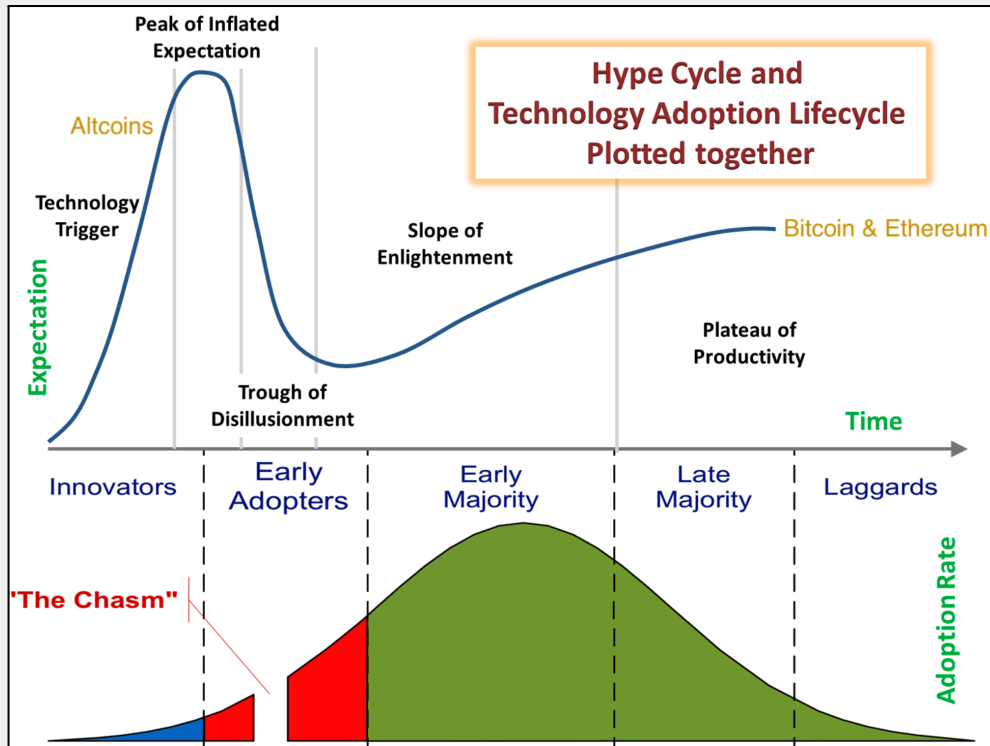
The anticipation leading up to the Trump inauguration was volatile, and two-sided. Launching the \$TRUMP coin 3-days before Gary Gensler departed the SEC could go down as one of the greatest signals of all time. The floodgates are open for the crypto space, and the new President elect is leading the charge. The First-Lady's own Melania Meme coin was launched a few days later on the eve of her husband's inauguration. \$Trump

mindblowingly rose to a US \$15B market cap in just a few days, positioning it as the third-largest meme coin by market cap, after Dogecoin and Shiba Inu.

The anticipation of supportive crypto policies added to the volatility, particularly on bets that the Strategic Bitcoin Reserve would take shape, alongside reduction in regulatory barriers. Optimism contributed to Bitcoin reaching an all-time high of over \$109,000 - marking another milestone in its growth.

So where to from here? We've got 110,000 the figure to break on the topside, although this has been hampered by the DeepSeek dump, where close to US \$1T was wiped off US stock markets as market participants realised that they may not need billions of dollars of computing power to drive the AI future.

Every time we see this market structure with new technology, I'm reminded of the Gartner Hype Cycle and Technology Adoption Cycle. An academic, yet simple, map of the market's response to a technology trigger. AI is a brilliant example of this - the technology trigger leading to swathes of \$B cheques, hyped valuations, peripheral knock on effects in other industries. As we get to the peak of expectation, reality sets in - "maybe we don't need insane computing power for an AI future?" And then the market dumps with gusto, generally before finding its groove in reality, at least until the next extended move.



Source: Gartner, Inc

You know what also follows this kinda curve? Virtually every crypto asset out there.

Keep an eye on anything Trump says in his first 100-days, it's going to be a wild ride.

ETHBTC



ETHBTC continues to head South - and word of the market cap flipping between Solana and Ethereum continues to hit the airwaves. Do we see ETH fade into insignificance? Or do we see the institutional market bid on the proven security and legacy that Ethereum provides?

Gold finding its range



FOMC this week is a hold, and gold is on the bid on the back of USD reversion and safe-haven flows.

Dollar index hanging in the multi-year range



DXY reverting on DeepSeek nerves - does this make the US uncompetitive?
Market looking for safe-haven assets.. as part of the hype cycle.

Safe trading out there!

Jon de Wet, CIO

Spot Desk

The Australian Dollar (AUD) exhibited modest volatility over the past two weeks, reaching a low of 0.6132 and a high of 0.6330 against the US Dollar (USD). Market focus now shifts to key economic events this week, with Australia's inflation rate and the Federal Reserve's interest rate decision both on the agenda. These developments could set the tone for the AUD in the near term, as investors closely watch for signals on the Reserve Bank of Australia's next policy move and the Fed's outlook on monetary easing.

On the trading desk, activity has been relatively quiet as the market adjusts to the new year. However, a standout trend was the surge in Solana (SOL) purchasing as the asset hit an all-time high of \$293.31. This milestone was fueled by the explosive launch of the Trump memecoin, which reached a peak market cap of just under \$15 billion within the first 48 hours. The memecoin's rapid rise drove speculative interest, with Solana benefiting due to its association with the project.

Following this surge, the market as a whole has entered a period of decline. The total cryptocurrency market cap dropped from a high of \$3.69 trillion to \$3.25 trillion in the past two weeks, reflecting a significant 12% decline. We observed mixed trading behavior from clients, with some taking advantage of lower prices to accumulate large-cap assets like Bitcoin (BTC) and Solana (SOL), while others chose to sell altcoins such as Avalanche (AVAX) and Sonic (SONIC).

Sentiment surrounding Ethereum (ETH) was notably divided. Some clients chose to offload their holdings due its lackluster price performance compared to Bitcoin, while others maintained optimism. This was bolstered by news of Trump's World Liberty Fi accumulating and staking 4,700 ETH, which added a layer of confidence in Ethereum's long-term value.

Zerocap's OTC desk remains dedicated to delivering tailored cryptocurrency liquidity solutions, offering competitive rates across major coins, altcoins, and memecoins, paired with key fiat currencies. With T+0 settlement, we ensure seamless and efficient trading experiences. For inquiries or specific trading needs, feel free to contact us.

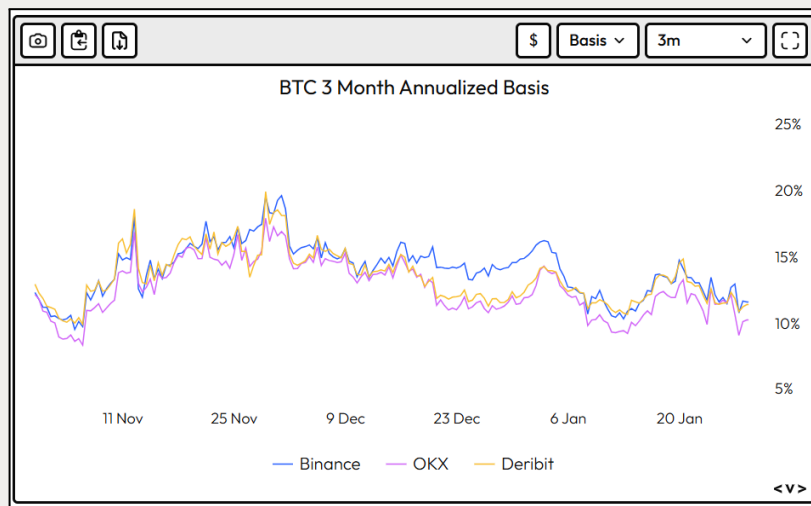
Reshad Nahimzada, Trading Analyst

Derivatives Desk

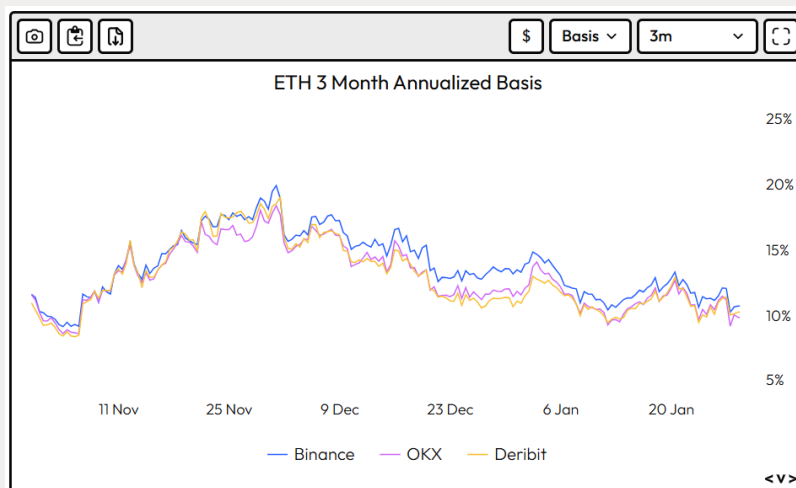
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Basis Rates on BTC and ETH are lower on the week:

- 90-day annualised Basis Rates are currently 11.34% (BTC) and 10.19% (ETH)



Source: Velo Data



The market has been consolidating around the 100k mark for several months now. Accumulating BTC on market dips is a profitable strategy at the moment. We like BTC Yield Entry Notes with strike prices below 90k, given positive technicals, and if we get an extended price move lower on current tech sentiment, it's a level that many investors would be happy buying BTCUSD at.

Yield Entry Note sample terms:

For a **3-month BTC Yield Entry Note** with **90k Strike Price** one can generate **3.8%** Yield (~16.3% annualised). There are two possible outcomes at expiry:

(1) BTC expires above 90k: investment paid back in cash + earns 3.8% yield (paid in cash).

(2) BTC expires below 90k: investment used to buy BTC at 90k + earns 3.8% yield (paid in BTC).

Contact the desk for more information if you qualify as a wholesale investor.

What to Watch

- **FOMC (Wed):** U.S. rates held at 4.25-4.50%. Implications for global liquidity and AUD/USD.
- **BoC (Wed):** Expected 25bps cut to 3.00%. Highlights broader dovish central bank trends impacting AUD.
- **ECB (Thu):** Anticipated 25bps cut to 2.75%, with focus on growth risks. Influences global risk sentiment and AUD correlations.

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*** Index used:**

Bitcoin	Ethereum	Gold	Equities	High Yield Corporate Bonds	Commodities	Treasury Yields
BTC	ETH	PAXG	S&P 500, ASX 200, VT	HYG	SPGSCI	U.S. 10Y

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