Weekly Crypto Market Wrap

13 Oct 2025

ZEROCAP

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🗞️ Week in Review

- The cryptocurrency market experienced its largest liquidation event in history on October 11, 2025, ($19-20 billion in leveraged positions wiped out).
- CZ has declared "BNB meme season," leading to increased activity within the BNB Chain ecosystem.
- ICE has invested $2 billion in the blockchain prediction platform Polymarket, valuing it at $9 billion.
- Bullish has partnered with Deutsche Bank to enhance fiat banking services for institutional clients.
- Coinbase and Mastercard reportedly held talks to acquire stablecoin fintech BVNK for up to $2.5 billion.

🏦 Technicals & Macro

Markets

Source: CoinGlass

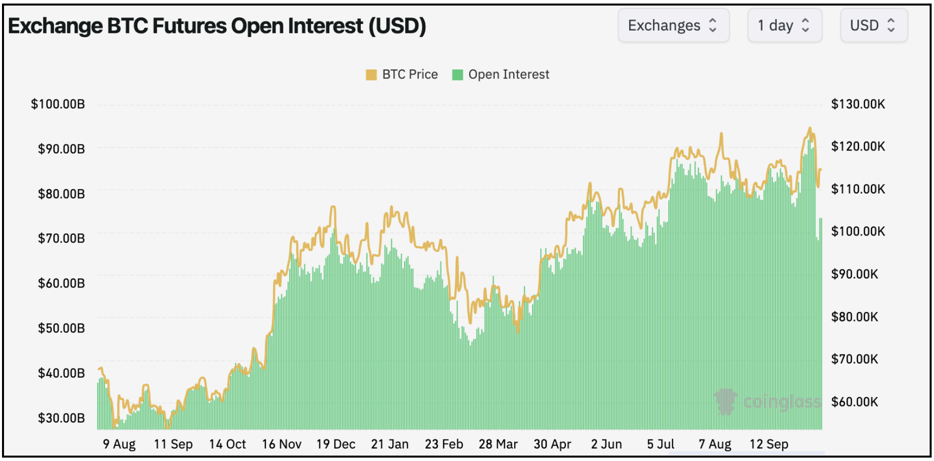
What a week it has been for crypto, for all the right and wrong reasons.

Bitcoin's euphoric breakout above $125k early last week ended violently on Friday as a new front opened in the U.S.-China trade war. Trump's announcement of a 100% tariff on Chinese tech exports, alongside export controls on software, sparked a record $19B liquidation cascade across crypto markets (this single-day liquidation was ~10x greater than during COVID and FTX's insolvency event).

Source: TradingView

BTC collapsed from ~$117k to $110k within minutes, ETH fell 16% below $3,600, and high-beta alts were hit hardest, many shedding 20–50%. Within an hour of Trump's post, $7B in open interest was erased, with altcoin OI falling to multi-year lows.

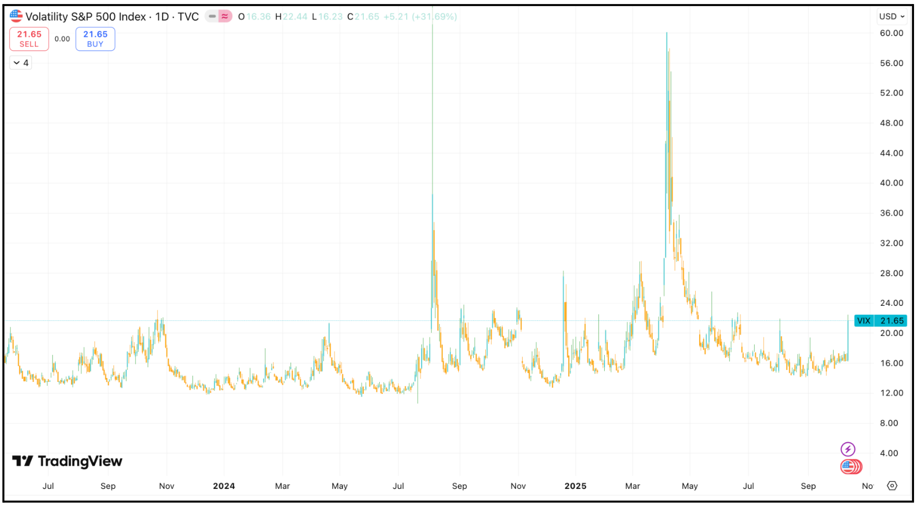
This was a market structure driven event more so than a fundamentally driven one. The past year's explosion in perp DEXs and basis yield products has driven leverage higher, often against lower-quality collateral. When the tariff headline hit, that leverage simply didn't have anywhere to go. The result was a cascade of auto-deleveraging waterfalls (ADLs), exchange halts, and fragmented liquidity that left even major venues trading out of sync.



Open interest in BTC futures dropped from roughly $77B to $67B, a $10B flush that took altcoin OI to multi-year lows. While painful, the cleanup has cleared the market's structural excess. With funding rates normalising and perp premiums resetting, some traders are already buying quality DeFi names (AAVE, HYPE, UNI) that have real revenues behind them. Others are staying sidelined, waiting to “buy the blood" once volatility settles.

For the right reasons, the market’s resilience post-crash suggests capitulation rather than systematic stress; BTC recovered above $114k by Monday, holding key long-term support.

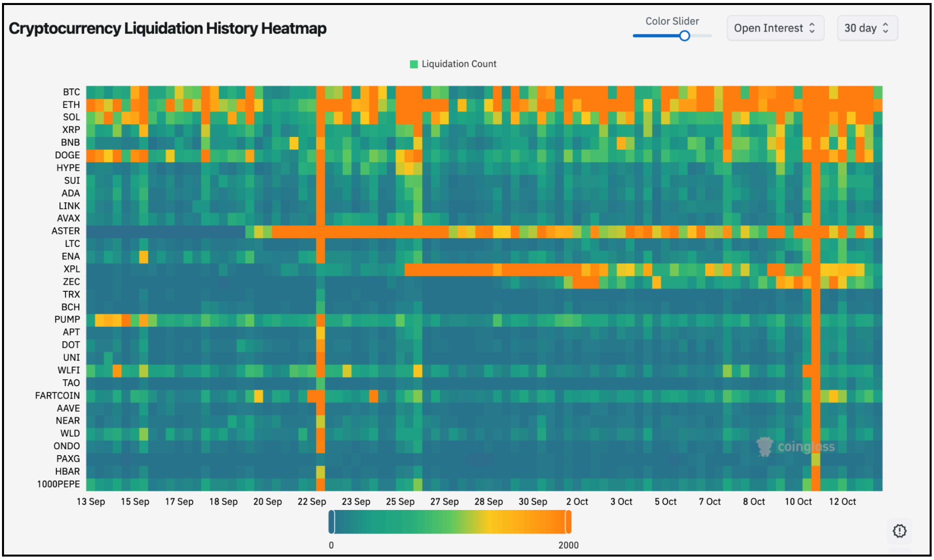
The hit on macro



The tariff shock didn’t hit crypto in isolation - it triggered a classic risk-off sweep across asset classes. Equities tumbled into Friday’s close, the VIX surged while gold rallied on a safe-haven bid, now up 11% over the past month.

That divergence pushed the Gold/BTC market-cap ratio up to 11x, from 9x in August. A return to that earlier ratio would imply BTC around $150–160k, underscoring the long-term “digital gold” argument. But in the short term, BTC continues to behave like a risk-on proxy, tracking equity flows rather than safe-haven demand.

With U.S. inflation data (PPI) due this week, potentially delayed by the ongoing government shutdown, volatility still isn't likely to fade immediately.



The weekend's crash felt violent because it unwound months of crowded leverage in a matter of hours. But structurally it's likely a healthy reset, with volatility needed to clear out excess before another rally.

For now we expect a two-speed recovery: BTC and ETH leading as institutions re-establish exposure, while altcoins lag amid lower liquidity. Macro remains the swing factor - any hint of tariff moderations, softer US data, or risk-on shift will see BTC bid again.

In the medium-term, the thesis hasn't changed: BTC's structural demand remains strong, ETF inflows continue and the digital gold narrative is alive and well. And in the short-term, the focus is on rebuilding stability, and we are watching whether this flush becomes the launchpad for Q4's next leg up.

Stay safe!

Emir Ibrahim, Analyst

🖥️ Spot Desk

Spot activity this week reflected a cautious but opportunistic tone, with clear divergences across majors, stables and alts. BTC flows were heavily skewed towards the buy side, signalling selective accumulation despite broader market softness. AUD trading was somewhat balanced (flows were split 40% bid and 60% ask), highlighting a lack of clear directional conviction but active participation on both sides. Meanwhile, AUDD remained actively traded as we are well placed for T+0 settlement and continuing to attract steady institutional flow.

Stablecoin flows were decisively one sided. USDC saw heavy offramping with virtually no buy side interest, while USDT flows were 70% sells, pointing to subdued demand and a shift from holding stablecoin balances at current bid widths. EUR, GBP and NZD activity remained consistent.

Altcoin activity picked up meaningfully, with XRP, ADA and AVAX drawing notable buying interest on the back of strong narratives and ecosystem momentum. In contrast, ETH, HYPE, SEI, OM, FLUI and L3 saw concentrated selling, particularly in SEI and HYPE where risk sentiment has turned. This split between accumulation in majors and trending alts versus broader de-risking elsewhere underscores a market that is selectively deploying capital into weakness. Overall, flows reflect selective risk deployment and evolving liquidity dynamics, with capital consolidating into majors and key narratives while peripheral names face sustained selling pressure.

The OTC desk continues to offer tailored cryptocurrency liquidity solutions, offering competitive pricing across majors, stablecoins, and altcoins, paired with key fiat currencies. With T+0 settlement, we ensure seamless trading and settlement.

Oliver Davis, OTC Trader

📈 Derivatives Desk

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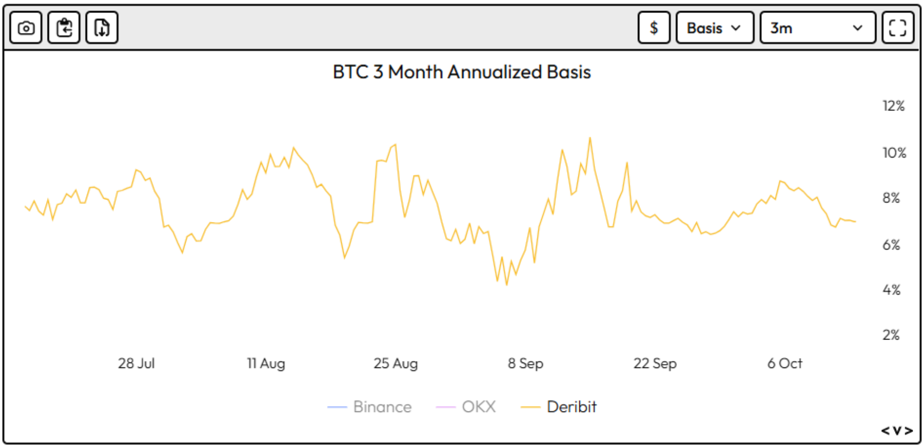
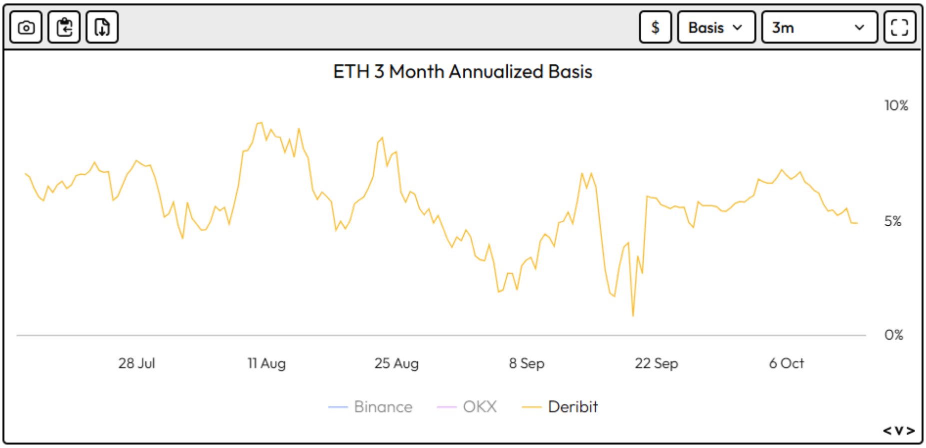
Despite the moves over the weekend, longer-term BTC and ETH basis rates are only down slightly. BTC's 90 day basis rate is sitting at 6.95% and ETH's is at 4.87%.





Source: Velodata

With the prices still recovering from the weekend chaos, a long position via a cheaper entry point through a Discount Note is an option for those who are cautiously optimistic..

For example, the SOL Discount Note provides investors with a defined-risk (favorable entry structure into SOL), by combining a discounted entry with capped upside participation.

Proposed Structure:

Instrument: SOL Discount Note

Discount to Spot: 11%

Cap Level: 30% above current spot

Max Return: 46.07% in USD

Expiry: 30 Jan 2026

Payoff at Maturity:

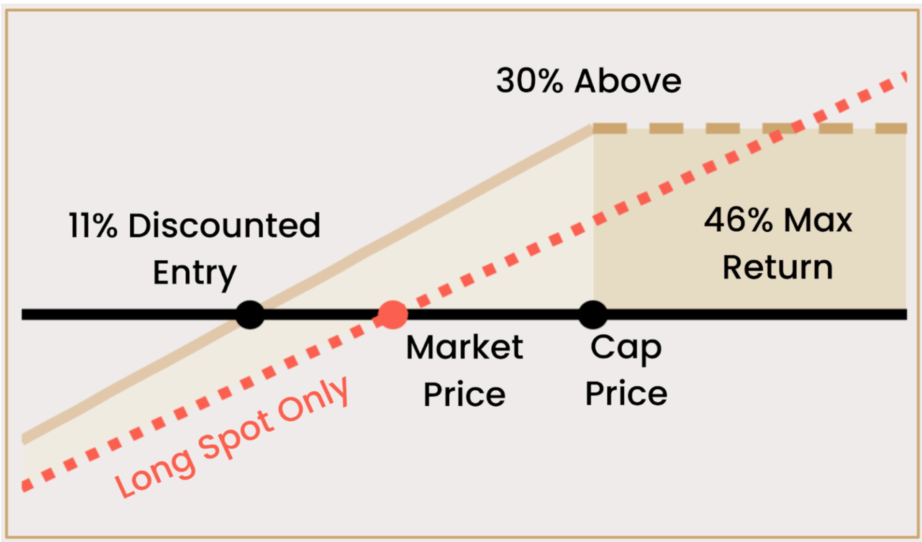
If SOL expires above the Cap Price, the investor earns 46.07% return in USD.

If SOL expires below the Cap Price, the investor acquires SOL at 11% below the current spot price.

Rationale:
Provides a strategic entry point into SOL at a material discount, well-suited for investors with a moderately bullish outlook.

Offers a defined upside of 46.07% in USD, attractive in an environment where SOL outperforms but does not experience a runaway rally.

Risk is limited to the initial investment, making this a measured approach to gain exposure to SOL's long-term growth potential.



Risk Considerations:

- **SOL Downside Risk:** If SOL falls materially below spot, investors still purchase at an 11% discount but may face mark-to-market losses.
- **Capped Upside:** Returns are limited to 46.07% in USD, which means investors forego gains if SOL rallies significantly beyond the Cap Price.
- **Market and Regulatory Shocks:** Unexpected macro events, regulatory changes, or liquidity shocks could drive SOL below the discounted purchase level.

Why the Structure Makes Sense Now:

- **Defined Risk/Reward:** Provides a discounted entry into SOL while still offering attractive capped USD returns.
- **Neutral-to-Bullish Alignment:** Suited for investors expecting stability or moderate upside in SOL, without the need for an outright spot purchase.
- **Favorable Macro Backdrop:** The Fed's rate-cutting cycle continues to provide tailwinds for risk assets, including crypto.

- **Institutional Interest:** Growing institutional inflows into SOL highlight conviction in its ecosystem, reinforcing the structure's appeal.

Hit the derivs desk for pricing!

👀 What to Watch

MON: US Columbus Day, Canadian Thanksgiving, Japanese Holiday (Sports Day), OPEC MOMR, Chinese Trade Balance (Oct)

TUE: RBA Minutes (Sep), IEA OMR, UK Unemployment/Wages (Aug), German ZEW (Oct), US NFIB (Sep)

WED: Chinese CPI/PPI (Sep), EZ Industrial Production (Aug), US CPI (Sep), NY Fed Manufacturing (Oct)

THU: Australian Employment (Sep), UK GDP (Aug), EZ Trade Balance (Aug), US Weekly Claims, Philly Fed (Oct), PPI (Sep),Retail Sales (Sep)

FRI: EZ HICP Final (Sep), US Building Permits/Housing Starts (Sep), Industrial Production (Sep)

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