Weekly Crypto Market Wrap

27 Oct 2025

ZEROCAP

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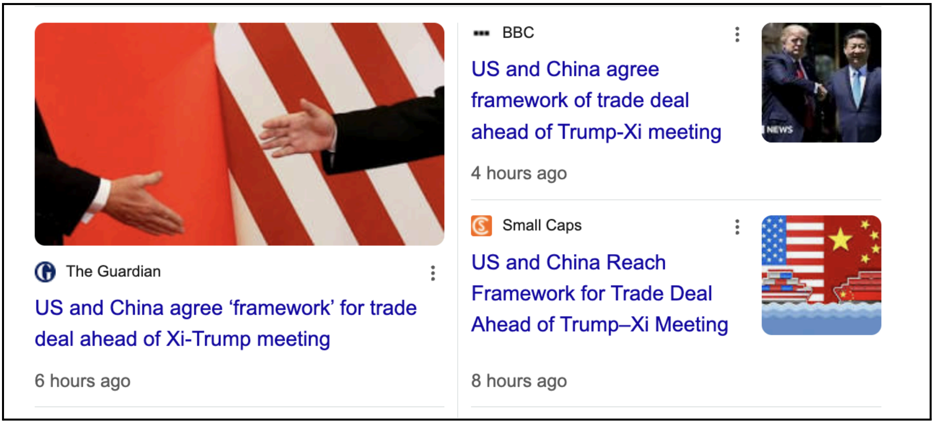
🗞️ Week in Review

- US Fed Gov. Waller said the Fed will embrace new payment innovations coming out of crypto.
- US President Trump granted Binance founder CZ a presidential pardon.
- JP Morgan is reportedly working to allow institutional clients to use BTC and ETH as collateral for loans by year-end
- Revolut secured a MiCA license in Cyprus.
- Hong Kong's SFC cleared ChinaAMC's Solana ETF to begin trading on October 27.
- Coinbase acquired crypto fundraising platform Echo for $375m and also paid $25m to acquire Echo founder Cobie's UpOnly NFT.

🏦 Technicals & Macro

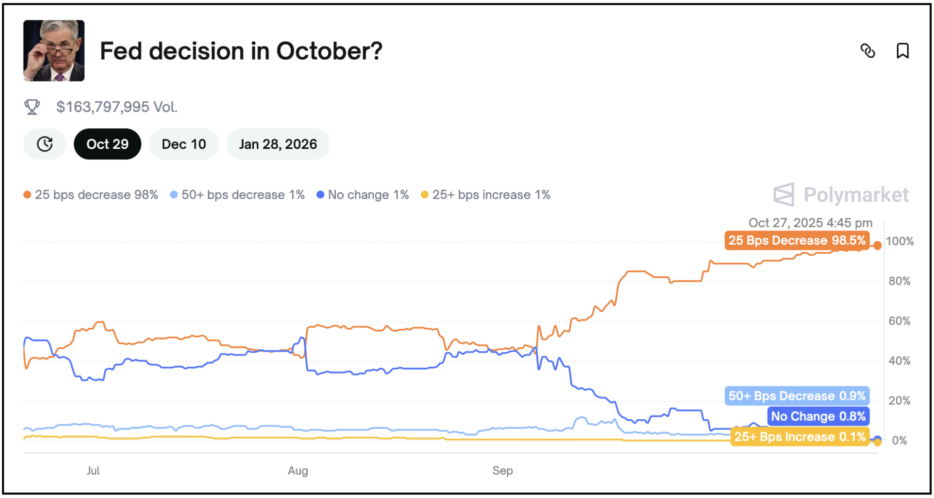
Markets



Source: Google

It was a critical week for global markets as macroeconomic sentiment shifted on the back of US-China trade optimism, cooler inflation data, and continued dovish expectations from the Fed. President Trump's Asia trip included early success in facilitating peace talks between Cambodia and Thailand and rekindling US-China dialogue. A Trump/Xi summit scheduled for Thursday will mark the first meeting of the leaders since the US President's second term. Markets are treating this as a significant risk-on signal, with volatility expected.

In contrast, last Friday's CPI inflation data came in slightly softer than expected (3.0% YoY vs 3.1%), which helped drive a rally across equities and crypto. Markets now expect a 25bps rate cut at this week's FOMC meeting, with another cut likely by year-end.



Source: Polymarket

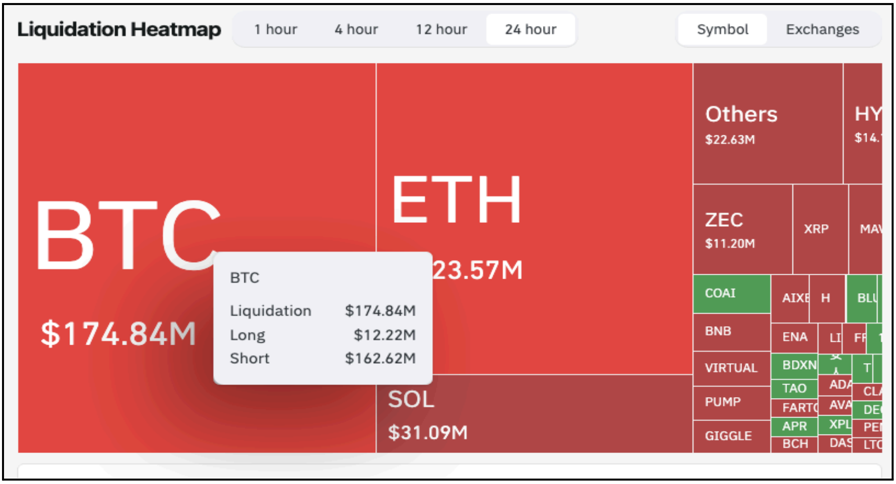
The VIX and broader volatility metrics have reset to 12-month lows, reinforcing the idea that macro uncertainty is now easing.

Oil has also spiked temporarily as Trump introduced sanctions on Russian oil producers, but the move is likely short-lived. Broader fundamentals point to weaker oil prices heaving into year end.

A late October second wind?

Source: TradingView

Crypto markets staged a strong recovery this week after a turbulent start to October. Bitcoin rose over 4.8% on the week, recovering from a mid-month dip caused by liquidation pressures and tariff fears. As of this writing, BTC is trading just above $115,483, while ETH sat at $4,234.



Source: Coinglass

The key driver of this week's momentum was confirmation from US Treasury Secretary Scott Bessent that a framework for a US-China trade agreement had been reached. This triggered a swift move higher across crypto and equity futures, with Bitcoin jumping over $2,000 higher, liquidating around $160m short positions in a matter of minutes.

Gold, by contrast, continues to unwind from recent highs, down nearly 7% from its peak , pointing to early signs of capital rotation from defensive assets into risk-on markets like crypto or another push higher once macro tailwinds re-emerge.

The rotation out of gold also reinforces the thesis of risk-on flows returning to crypto. With traditional markets at record highs and inflation cooling, digital assets could be next in line to benefit.

Bitcoin Monthly returns(%)

coinglass

BTC | Daily returns(%) | Weekly returns(%) | Monthly returns(%) | Quarterly returns(%)

Time	January	February	March	April	May	June	July	August	September	October	November	December
2025	+9.29%	-17.39%	-2.3%	+14.08%	+10.99%	+2.49%	+8.13%	-6.49%	+5.16%	+1.21%		
2024	+0.62%	+43.55%	+16.81%	-14.76%	+11.07%	-6.96%	+2.95%	-8.6%	+7.29%	+10.76%	+37.29%	-2.85%
2023	+39.63%	+0.03%	+22.96%	+2.81%	-6.98%	+11.98%	-4.02%	-11.29%	+3.91%	+28.52%	+8.81%	+12.18%
2022	-16.68%	+12.21%	+5.39%	-17.3%	-15.6%	-37.28%	+16.8%	-13.88%	-3.12%	+5.56%	-16.23%	-3.59%
2021	+14.51%	+36.78%	+29.84%	-1.98%	-35.31%	-5.95%	+18.19%	+13.8%	-7.03%	+39.93%	-7.11%	-18.9%
2020	+29.95%	-8.6%	-24.92%	+34.26%	+9.51%	-3.18%	+24.03%	+2.83%	-7.51%	+27.7%	+42.95%	+46.92%
2019	-8.58%	+11.14%	+7.05%	+34.36%	+52.38%	+26.67%	-6.59%	-4.6%	-13.38%	+10.17%	-17.27%	-5.15%
2018	-25.41%	+0.47%	-32.85%	+33.43%	-18.99%	-14.62%	+20.96%	-9.27%	-5.58%	-3.83%	-36.57%	-5.15%
2017	-0.04%	+23.07%	-9.05%	+32.71%	+52.71%	+10.45%	+17.92%	+65.32%	-7.44%	+47.81%	+53.48%	+38.89%
2016	-14.83%	+20.08%	-5.35%	+7.27%	+18.78%	+27.14%	-7.67%	-7.49%	+6.04%	+14.71%	+5.42%	+30.8%
2015	-33.05%	+18.43%	-4.38%	-3.46%	-3.17%	+15.19%	+8.2%	-18.67%	+2.35%	+33.49%	+19.27%	+13.83%
2014	+10.03%	-31.03%	-17.25%	-1.6%	+39.46%	+2.2%	-9.69%	-17.55%	-19.01%	-12.95%	+12.82%	-15.11%
2013	+44.05%	+61.77%	+172.76%	+50.01%	-8.56%	-29.89%	+9.6%	+30.42%	-1.76%	+60.79%	+449.35%	-34.81%
Average	+3.81%	+13.12%	+12.21%	+13.06%	+8.18%	-0.14%	+7.60%	+1.12%	-3.08%	+20.30%	+46.02%	+4.75%
Median	+0.62%	+12.21%	-2.30%	+7.27%	+9.51%	+2.20%	+8.20%	-7.49%	-3.12%	+14.71%	+10.82%	-3.22%

Bitcoin is now in positive territory for the month and just ~10% off its all-time high. With macro risks easing and volatility falling, the case for upside into November, historically Bitcoin's strongest month with a 40% average return, is building.

Markets are entering a wind of opportunity. Falling inflation, improving global relations and the Fed's likely pivot toward rate cuts have reset the macro landscape. Crypto is responding, with Bitcoin reclaiming key levels and volatility. While short-term risks remain, the broader structure favours upside, especially if the Trump/Xi summit delivers further trader clarity.

Q4 could see crypto join traditional assets in a final-year rally. The next few weeks will be pivotal.

Emir Ibrahim, Analyst

🖥️ Spot Desk

Crypto spot markets traded firmly though the week, with flows reflecting a measured risk on tone despite conflicting macro narratives. Stablecoins continued to anchor activity, led by USDT which dominated both USD and AUD corridors. USDT/USD and AUD pairs were largely driven by off-ramping flow as clients sought to convert into fiat towards week's end. USDC activity eased noticeably compared to previous weeks, suggesting a rotation of settlement preference and gradual consolidation of liquidity around Tether pairs. Meanwhile, AUDD/AUD transactions remained characterised by clients selling AUDD for same day settlement, reflecting the persistent demand for immediate conversion and local liquidity optimisation.

In the Majors, BTC and ETH recorded consistent buy side flow throughout the week. Although early reports of ETF outflows on Monday briefly weighed on sentiment, the pullback was shallow and short lived. Spot traders were quick to take advantage of the dip, adding exposure into weakness as broader positioning stabilised. The pattern suggested that despite transient institutional outflows from ETFs, underlying demand in the spot market remains firm – a sign that active traders continue to buy into structural dips rather than retreating from them.

Across alts, buying interest extended to SOL, HYPE, ASTER and XPL, though the tone was measured rather than speculative. The flow was spread across multiple smaller tickets, consistent with portfolio rotation rather than high conviction directional bets. These alts saw two-way trade but retained a mild bias toward demand, particularly mid-week as majors consolidated. NZD and CAD dominated activity also picked up modestly, with flow most two-way yet leaning slightly toward buys, underscoring the breadth of participation across non-USD pairs.

Macro developments shaped the week's broader context. In the US, attention centred on the inflation narrative following CPI data and shifting expectations for Federal Reserve Policy. ETF flows were a focal point early in the week, but their impact faded as traders refocussed on spot opportunities. Closer to home, Australian markets turned their attention to the upcoming monthly CPI indicator, scheduled for release on Wednesday. The print will offer an important read through on domestic inflation dynamics and the RBA's policy trajectory into year end. With headline CPI expected to hover around 3% y/y, markets anticipated a mixed signal – continued disinflation on goods offset by sticky services inflation.

Monday October 27 2025			Actual	Previous	Consensus	Forecast
06:15 PM	AU	RBA Bullock Speech				
Wednesday October 29 2025			Actual	Previous	Consensus	Forecast
10:30 AM	AU	Inflation Rate QoQ Q3		0.7%	1.1%	1.0%
10:30 AM	AU	Inflation Rate YoY Q3		2.1%	3%	2.9%
10:30 AM	AU	Monthly CPI Indicator SEP		3%	3.1%	3.0%
10:30 AM	AU	RBA Trimmed Mean CPI QoQ Q3		0.6%	0.8%	0.7%
10:30 AM	AU	RBA Trimmed Mean CPI YoY Q3		2.7%		2.6%
Friday October 31 2025			Actual	Previous	Consensus	Forecast
10:30 AM	AU	PPI QoQ Q3		0.7%	0.8%	0.7%

Source: Trading Economics

Looking ahead, the desk expects continued two-way flow with a constructive bias in majors, especially if the Australian inflation data lands in line with expectations. Traders are maintaining BTC positions while treating alt exposure tactically, scaling into opportunities rather than chasing momentum. Overall sentiment remains cautiously optimistic as the markets appear content to buy dips and stay positioned for the next potential macro driven leg higher.

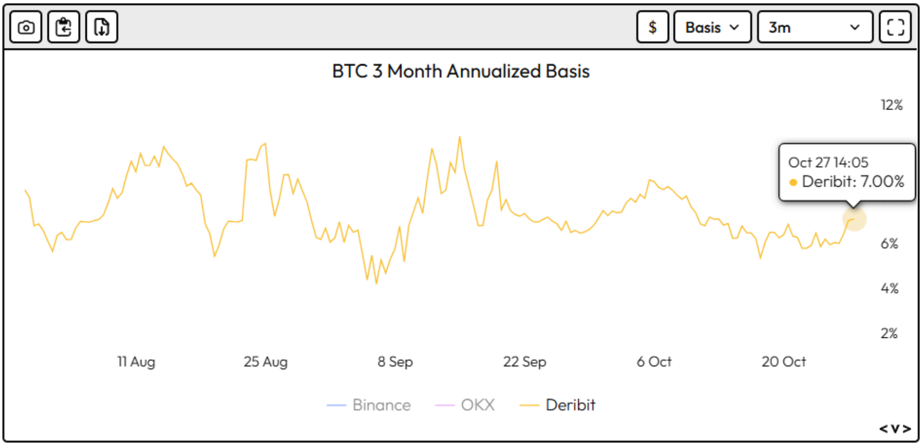
The OTC desk continues to offer tailored cryptocurrency liquidity solutions, offering competitive pricing across majors, stablecoins, and altcoins, paired with key fiat currencies. With T+0 settlement, we ensure seamless trading and settlement.

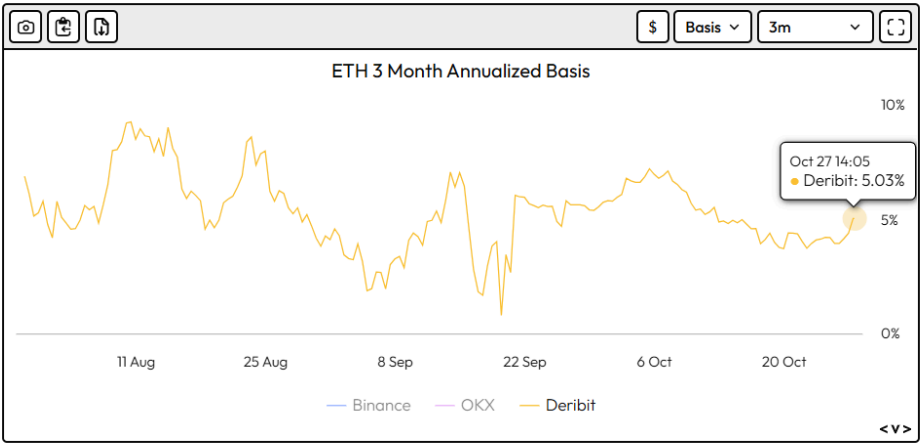
Oliver Davis, OTC Trader

📈 Derivatives Desk

WHOLESALE INVESTORS ONLY

BTC and ETH basis rates are up over the week in-line with the spot moves. BTC's 90 day basis rate is sitting at 7.00% and ETH's is at 5.03%.





Source: Velodata

With the US interest rate market bracing for rate cuts this week, now could be an ideal time to allocate upside risk exposure, in a controlled fashion.

The desk likes a 'Modified Risk Reversal' trading strategy – buying calls financed by selling put spreads for zero initial premium.

Zerocap can offer this structured on ETH:

- Underlying: ETH
- Call Strike: 105%
- Put Spread Strikes: 98%/78%
- Expiry: 26 Sep 2025
- Initial Premium: 0%

Selling put spreads to fund this position is a cost effective way to express a bullish view on a potential rate cut this month. The downside is capped to the width of the put spread strikes (20% in above example), but investors retain full (uncapped) upside if price action moves higher.

Risk Considerations:

Short-term downside: The 98%/78% means that the up to 20% of investment can be lost if price falls to 78% or lower.

Upside limited below 105%: The investment starts to profit only after a 5% gain in the underlying.

Macro or regulatory shocks: Unexpected Fed actions, inflation surprises, or adverse crypto regulation could create rapid price swings.

Why the Structure Makes Sense Now:

Cost-efficient upside: Selling the put spread finances the 105% call, allowing exposure to ETH gains with minimal upfront cost.

Options Skew has been shifting back towards puts in recent sell-off after ATHs.

Macro support: Fed cuts priced in, weakening USD, and strong institutional demand provide a favorable environment for ETH upside.

Risk-defined approach: Partial downside protection (98%/78% put spread) limits losses while enabling participation in a potential altcoin rally.

Market timing: ETH/BTC strength, rising altcoin volumes, and climbing institutional allocations suggest near-term upside potential for ETH and other alts, making a call-funded structure attractive.

Hit the derivs desk for pricing!

👀 What to Watch

MON: Chinese Industrial Profit (Sep), German Ifo (Oct), EZ M3 (Sep), US Durable Goods (Sep), Dallas Fed (Oct)

TUE: German GfK (Nov), US Consumer Confidence (Oct), Richmond Fed (Oct)

WED: FOMC & BoC Policy Announcements; Australian CPI (Sep & Q3), Swedish Prelim. GDP (Q3), UK Mortgage Approval/Lending (Sep), US Pending Homes (Sep)

THU: BoJ & ECB Policy Announcements; Swiss KOF (Oct), German Unemployment (Sep), Flash GDP (Q3), Prelim. CPI (Oct),EZ Final Consumer Confidence (Oct), US GDP & PCE (Q3), Weekly Claims, Japanese Tokyo CPI (Oct), Unemployment Rate(Sep)

FRI: CBRT Minutes (Sep); Chinese NBS/Composite PMIs (Oct), German Import Prices (Sep), Retail Sales (Sep).

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