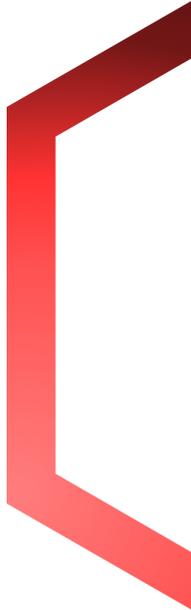


Weekly **Crypto** Market Wrap

1 December 2025



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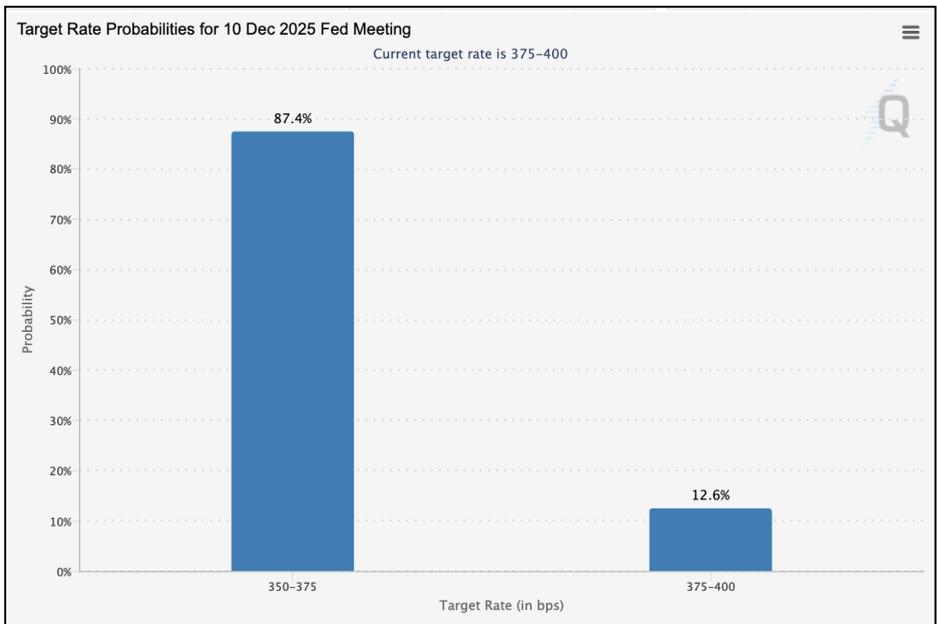
Week in Review

- Australia introduces Digital Assets Framework Bill 2025, requiring crypto platforms to hold financial licenses.
- U.S. spot Bitcoin ETFs gained US\$70M, ending a four-week outflow streak; Ethereum ETFs added US\$313M.
- CoinShares withdrew SEC filings for XRP, Solana (staking), and Litecoin ETFs amid SPAC plans.
- Texas Strategic Bitcoin Reserve executed its first US\$5M IBIT purchase under SB 21, establishing a state-managed Bitcoin allocation.
- S&P cut Tether's (USDT) rating score to “weak,” citing unclear reserves and governance gaps amid market risks.
- Kevin Hassett leads Fed Chair race; previously worked on White House crypto policy.



Markets

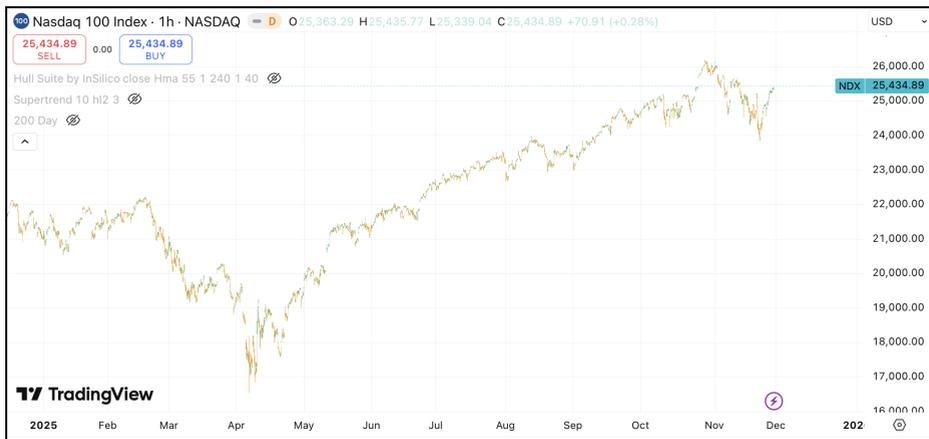
U.S Equities rise on growing confidence of a December FOMC interest rate cut



Source: CME FedWatch

Last week, US equity indices broadly gained, as investors interpreted the softer economic data and dovish Federal Reserve commentary as confirmation that a December rate cut remains most likely.

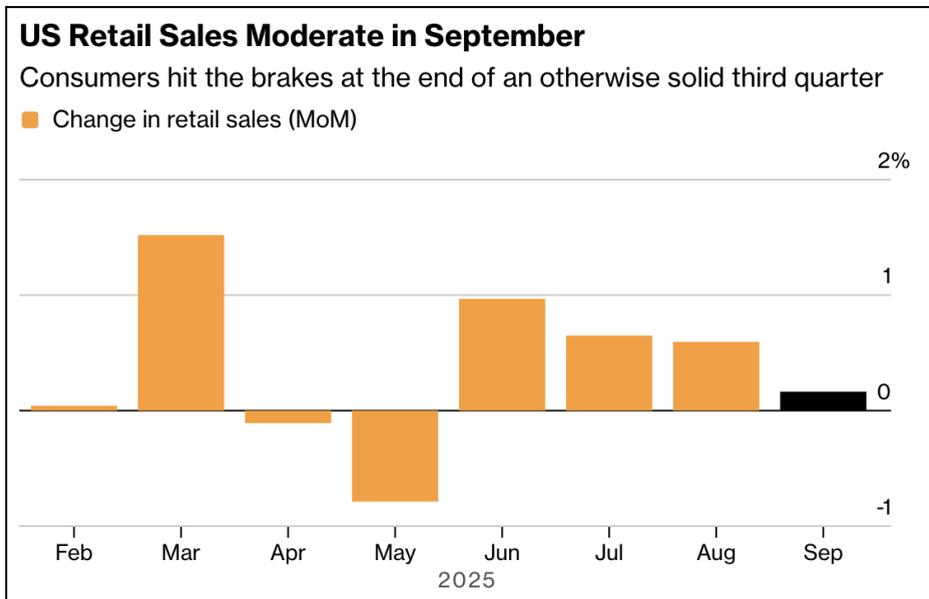
Currently, short term interest rate futures are assigning a 87.4% probability of a December 10th rate cut - up from 45.8% on November 16th.



Source: TradingView

Despite the holiday-shortened trading schedule, major equity indices advanced, with small-cap stocks outperforming their large-cap peers. The Russell 2000 notably gained 5.52%! The Nasdaq also rebounded, with concerns of elevated AI-related spending being outweighed by renewed optimism of the sector's long-term growth prospects.

US retail data is showing slowing aggregate demand and a more cautious consumer..



Source: Bloomberg

In economic news, The Commerce Department reported that U.S. retail sales increased by 0.2% in September (vs 0.4% expectation), down from 0.6% in August.

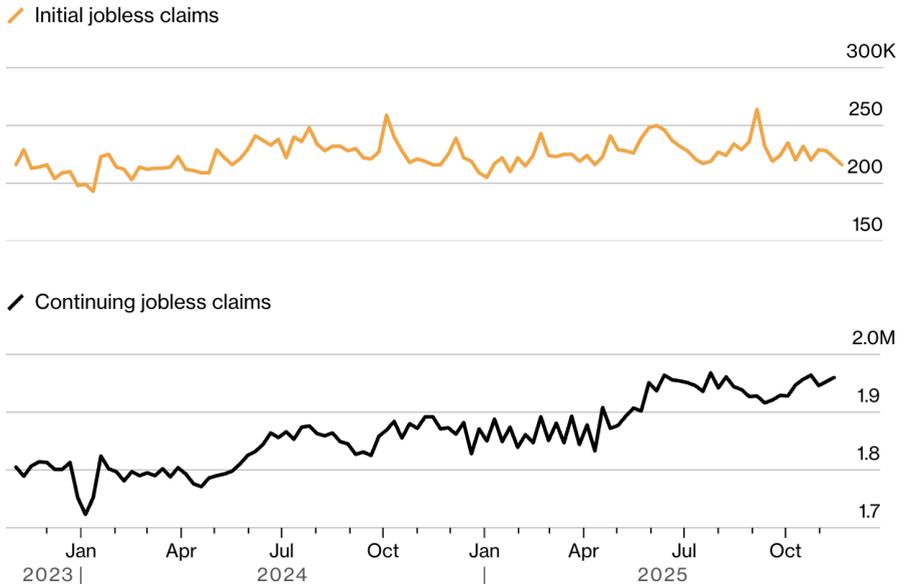
September US retail sales breakdown

Metric	Actual	Estimate
Retail sales (MoM)	+0.2%	+0.4%
Sales ex. autos, gas (MoM)	+0.1%	+0.3%
'Control group' sales (MoM)	-0.1%	+0.3%

Other important economic releases included the September Producer Price Index (PPI), which rose 0.3% (vs 0.3% expectation) on the headline, and by just 0.1% on the Core (excluding food and energy).

US Initial Jobless Claims Fall to the Lowest Since April

Recurring filings continue to hover around the highest levels since 2021

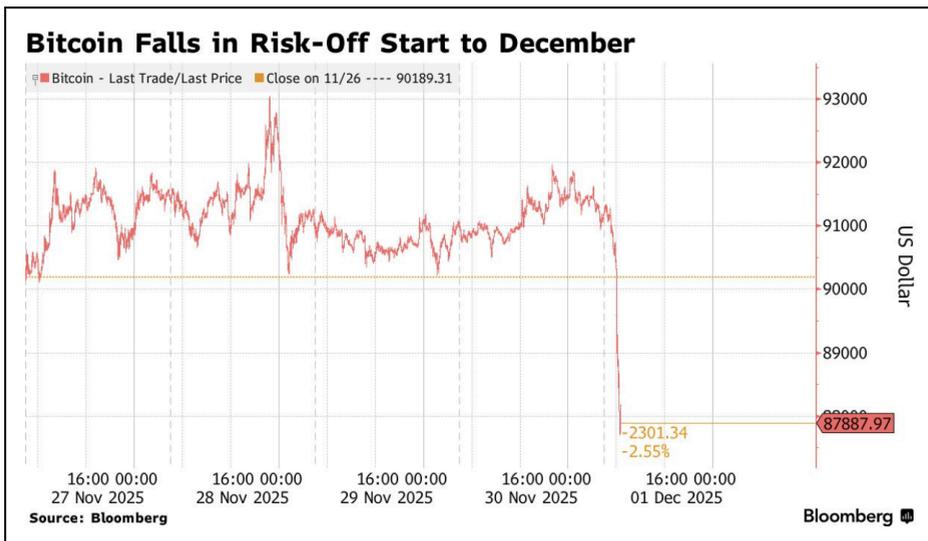


Critical to the upcoming December FOMC decision, US labor market data remains mixed. US initial jobless claims fell to 216,000 (for the week ended November 22), marking the lowest reading since April; while continuing claims increased by 7,000 to 1.960 million (nearing the year-to-date highs of 1.968 million reached in late July).

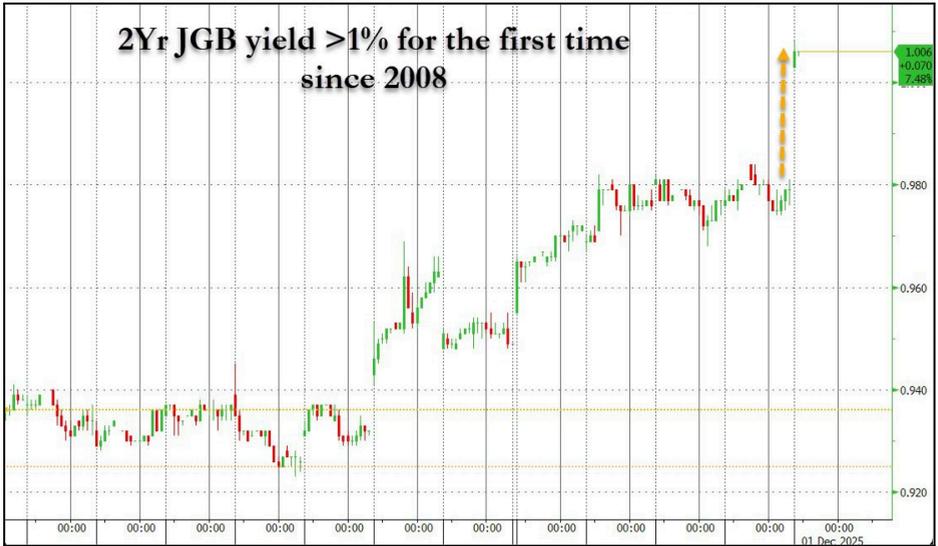
Quite tellingly, US consumer confidence has fallen to 88.7 on the headlined index, the lowest reading since April. Survey respondents

highlight inflation, tariffs, and political uncertainty as the key drivers behind the weaker outlook.

BTC/USD falls to start the month after a red November



To begin December, cryptocurrency markets have remained under pressure, with Bitcoin (BTC) down circa 4.3% and trading below USD 88,000 in the Asia session. Ethereum (ETH) has also declined by approximately 6% to move below USD \$2,900.



Source: Zerohedge

Today's move lower appears to have coincided with a sharp rise in Japanese government bond yields. Japan's 2-year yield briefly reached 1.01% (a 17-year high), fueling risk-off positioning across regional markets. The selloff followed comments by BoJ Governor Kazuo Ueda, who mentioned the Board will evaluate whether a rate hike is appropriate at this month's meeting. Traders remain firmly focused on the price action of USD/JPY for any hints of an upcoming BoJ rate hike.

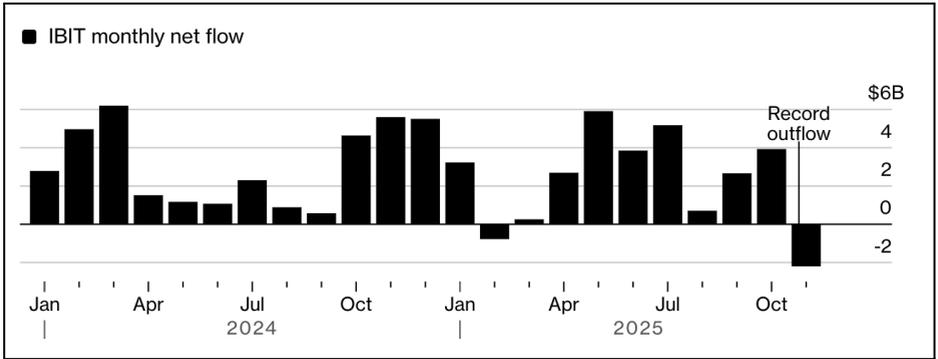


Figure 1: US Bitcoin ETFs (IBIT) on Track for Record Monthly Outflow | Source: Bloomberg

With BTC having stabilized late last week (recovering back above USD \$90,000), this latest retracement has reintroduced fragility and volatility. Traders continue to point to weak Bitcoin exchange traded funds (ETFs) inflows and limited dip-buying, as signs that structural demand remains muted.

Forced selling also intensified during the move lower, with over USD \$500 million in leveraged BTC longs liquidated. It is unclear whether this flow specifically related to concern of the Yen carry trade unwind, but we will be sure to monitor these dynamics..

Monday, December 1, 2025					
09:45	 USD	  	Manufacturing PMI (Nov)	51.9	51.9
10:00	 USD	  	ISM Manufacturing PMI (Nov)	49.0	48.7
10:00	 USD	  	ISM Manufacturing Prices (Nov)	59.5	58.0
20:00	 USD	  	Fed Chair Powell Speaks 		
Tuesday, December 2, 2025					
10:00	 USD	  	JOLTS Job Openings (Sep)		7.227M
Wednesday, December 3, 2025					
08:15	 USD	  	ADP Nonfarm Employment Change (Nov)	19K	42K
09:45	 USD	  	Services PMI (Nov)	55.0	55.0
10:00	 USD	  	ISM Non-Manufacturing PMI (Nov)	52.0	52.4
10:00	 USD	  	ISM Non-Manufacturing Prices (Nov)		70.0
10:30	 USD	  	Crude Oil Inventories		2.774M
Thursday, December 4, 2025					
08:30	 USD	  	Initial Jobless Claims	220K	216K
Friday, December 5, 2025					
10:00	 USD	  	Core PCE Price Index (MoM) (Sep)	0.2%	0.2%
10:00	 USD	  	Core PCE Price Index (YoY) (Sep)	2.9%	2.9%

The week ahead is set to offer a crucial snapshot of US economic momentum as policymakers weigh on the trajectory of interest rates heading into 2026. Any shift in the market's expectation of further policy easing may influence risk assets.

Emir Ibrahim, Analyst



Spot Desk

Digital assets staged a modest but cautious recovery this week, with activity on the desk still reflecting a firmly defensive tone overall. Volumes remained extremely concentrated in majors and stablecoins with relatively limited appetite for broader altcoin risk; Solana (SOL) continued to attract interest as one of the few beneficiaries of rotation, while Pax Gold (PAXG) also picked up demand as market participants looked to crypto-native gold exposure.

At the same time, exits out of long-held favourites such as LINK (LINK) and Layer3 (L3) into stablecoins underscored a continued consolidation and derisking of holdings rather than a shift back into higher-beta assets.

Bitcoin (BTC) found some footing after the prior week's intense selloff, trading within a range of 85,272 to 93,092. While intraday swings persisted, the broader tone was stabilisation rather than acceleration in either direction following the previous week's liquidations. Ethereum (ETH) mirrored this pattern, rising from weekly lows of USD 2,763 to a high of USD 3,099 before easing back, with >US\$200M in BTC long liquidations during today's Asia session pushing majors briefly back towards the lows of last week's ranges in

a rocky start to December so far. Desk flows in majors were decidedly two-way and balanced for the week, consistent with a market still recalibrating after back-to-back weeks of de-risking.

ETF flows provided further support: with U.S. spot Bitcoin ETFs recording US\$70m in net inflows to break a four-week outflow streak and the state of Texas as a new notable buyer, as the Texas Strategic Bitcoin Reserve purchased approximately US\$5m of BlackRock's IBIT to execute its first allocation under new legislation SB 21. Ethereum ETFs posted US\$313m of inflows to reverse three weeks of redemptions.

On the macro front, Australia's first full monthly CPI release showed inflation at 3.8% YoY, well above expectations and exceeding the RBA's 2–3% target. The trimmed mean also topped forecasts at 3.3% YoY, reinforcing concerns about “sticky” services inflation. The AUD responded with a strong rally, opening the week at 0.6461, hitting 0.6560, and closing at 0.6546. Flows in stablecoin/AUD crosses were decisively more balanced than last week's offramping skew; across other pairs, USDT and USDC against EUR, NZD, and USD all remain well-traded in both directions. Traders are also monitoring USD/JPY closely after 2-year Japanese bond yields hit 1.01%, the highest level in 17 years, and have Fed Chair Powell speaking on Tuesday and an Australian GDP Growth Rate print on Wednesday to look forward to as this week's highlights.

Elsewhere, S&P downgraded Tether's USDT stability score to "weak," highlighting ongoing gaps in reserve transparency, custodian reporting, and liquidity coverage as stablecoin governance continues to come under heightened scrutiny. In Washington, Kevin Hassett has emerged as the frontrunner for Fed Chair, having played a central role in the White House's digital asset working group, a development closely monitored for potential implications on U.S. crypto policy, stablecoin regulation, and broader monetary guidance.

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.

Ben Mensah, OTC Trader



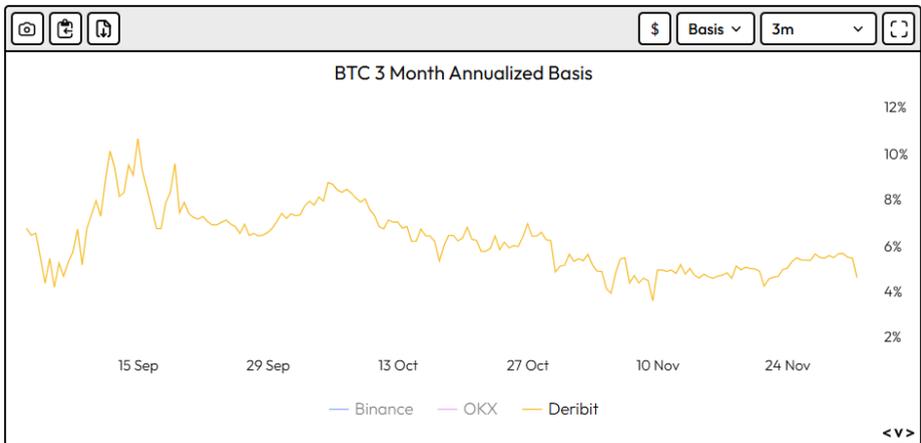
Derivatives Desk

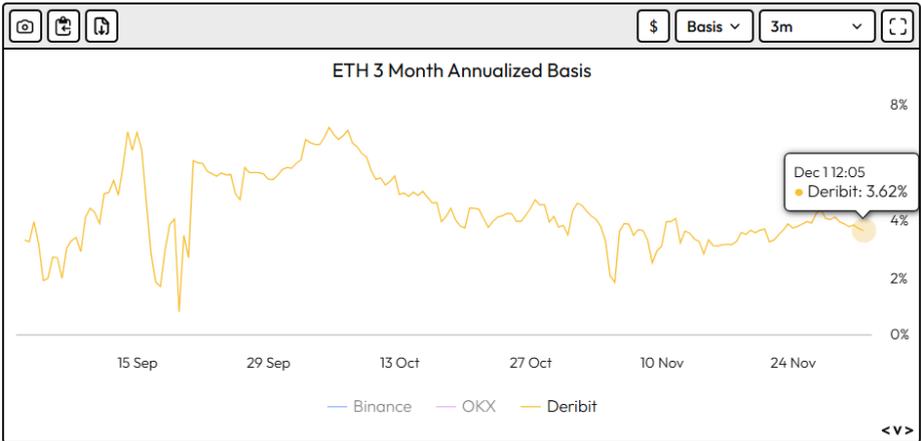
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The recent price correction in crypto assets has led to a material contraction across basis rates.

- The 90-day annualized Bitcoin (BTC) basis rate is currently trading near its yearly low at 4.63%.
- The corresponding Ethereum (ETH) basis rate is similarly depressed at 3.62%.

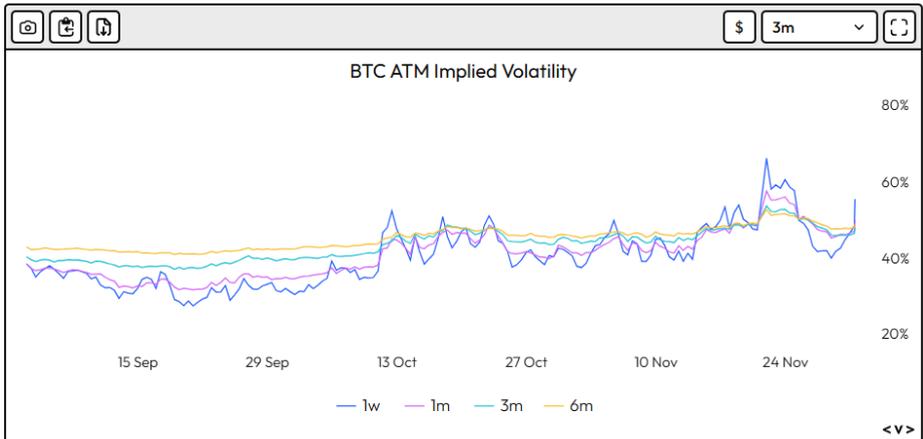
These subdued levels translate to attractively low collateralized borrowing costs. For pricing and bespoke structuring opportunities, please contact the derivatives desk directly.





Source: Velodata

The close of the November monthly candle failed to stay above the \$90k support level, triggering a retest of this breakdown zone at the start of the week. This technical weakness is compounded by a significant surge in near-term volatility, evidenced by a 10 vol-point spike in At-The-Money (ATM) weekly implied volatility this morning.



Against this backdrop, investors may consider reducing risk exposure. Approaches that limit downside while preserving the potential to capture some upside appear particularly appealing right now. The desk is exploring wide, low-delta collar structures (for example, on ETH: USD 2K / USD 4.4K) as a way to navigate the current volatility.

Zero Cost Collar

Implement a Zero-Cost Collar on ETH - a simple options strategy to simultaneously limit downside and cap upside at zero net cost.

Mechanics of the Collar

- Protective Put at USD \$2,000 - this ensures a minimum floor: regardless of how far ETH might drop, the investor retains the right to sell at USD \$2,000 at expiry.
- Covered Call at USD \$4,400 - this caps the upside. The premium from writing the call offsets the cost of the put.

Payoff Profile:

- If $ETH \leq USD\ \$2,000$ at expiry → downside is fully hedged; the investor sells at USD \$2,000.
- If $USD\ \$2,000 < ETH < USD\ \$4,400$ → they capture spot market gains (ETH trade value minus option costs = zero upfront cost).
- If $ETH \geq USD\ \$4,400$ → maximum payoff is capped at USD \$4,400.

Risk Considerations:

- Opportunity cost: Upside beyond \$4,400 is foregone for downside protection.
- Regulatory shifts: New laws (GENIUS Act, Project Crypto) may drive sudden shifts in ETH price or volatility.
- Alternative altcoin moves: Unexpected narratives (e.g., revenue meta/Ai hype) could redirect capital away from ETH, increasing relative risk towards downside.

Why the Collar Makes Sense Now:

- Secures present gains while retaining material upside.
 - Neutral capital deployment: No immediate net premium means the investor doesn't deploy additional funds while locking a favorable risk profile.
-

What to Watch

TUE: US Fed Chair Powell Speech, EU Inflation Rate YoY, EU Unemployment rate

WED: AU GDP Growth Rate

THU: AU Balance of Trade, ECB President Lagarde Speech

FRI: US Core PCE Price Index MoM

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