



Crypto Market Report

Crypto Industry - Q4 2024



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Executive Summary

The year 2024 began with optimism for the crypto market, fueled by the launch of Bitcoin ETFs, but it soon entered a consolidation phase during the second and third quarters. The turning point came in September, as the U.S. Federal Reserve started interest rate cuts, injecting renewed momentum into the market. This momentum accelerated after the November U.S. election, with the re-election of President Donald Trump. His administration, coupled with Republican control of Congress, laid the groundwork for potential pro-crypto initiatives.

The impact of these developments was evident in the fourth quarter, as the total crypto market cap surged by over 46% from Q3, with daily trading volumes more than doubling from \$71 billion to \$151 billion. Stablecoins played a pivotal role in this growth, with their total market cap reaching \$211.7 billion—an increase of 29% since mid-year and 55% from the start of the year.

Despite Bitcoin's impressive rally, the stablecoin supply ratio (SSR)—a metric measuring stablecoin buying power relative to Bitcoin—remained at modest levels, indicating untapped potential for further market growth. While the crypto market held steady at elevated levels, the Fear and Greed Index reset to a neutral position below 50 at end of the year, reflecting a more rational and measured investor sentiment, a promising sign for the market's long-term sustainability.

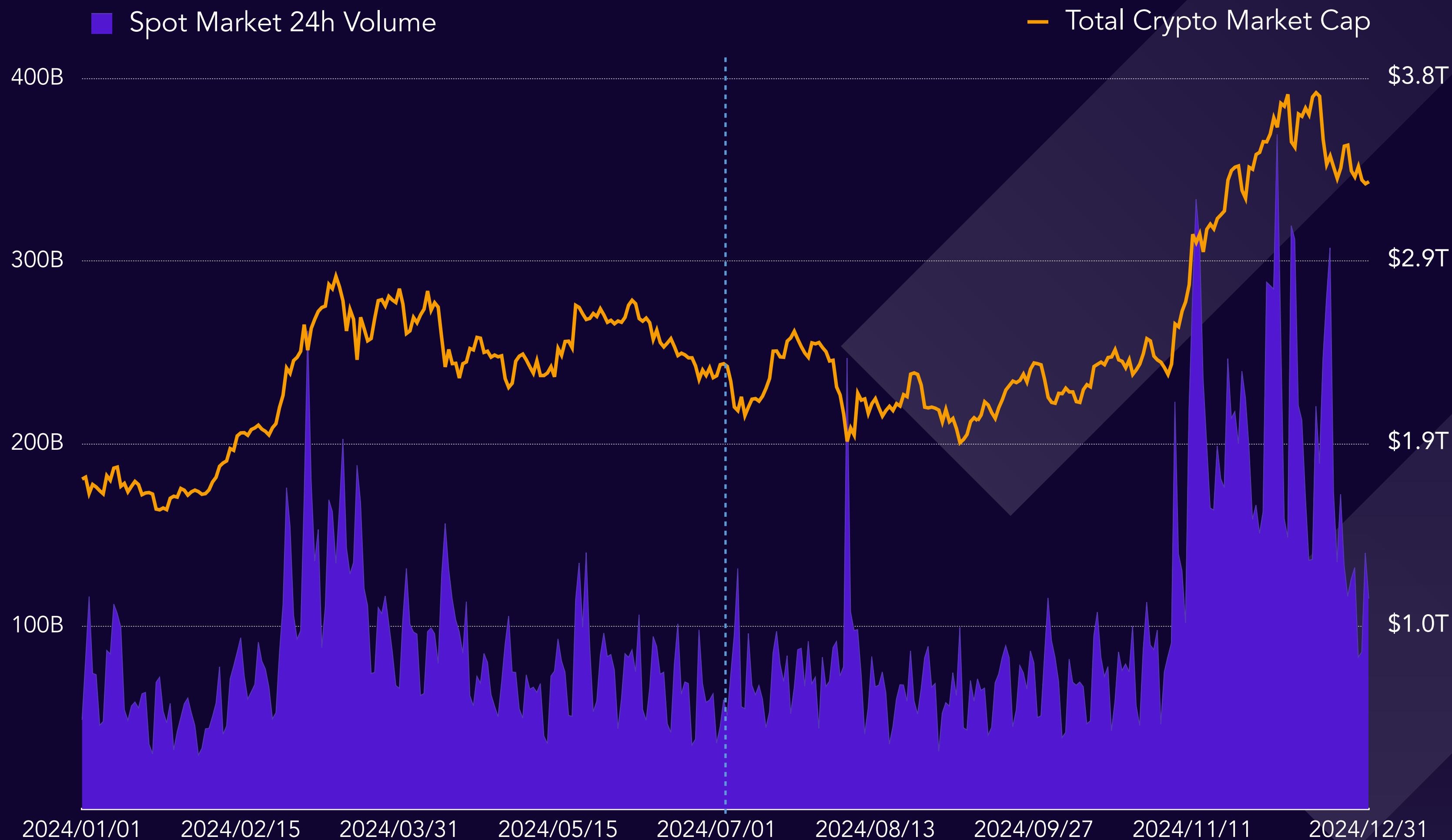
Bitcoin's market dynamics continue to show signs of strength. The Bitcoin MVRV Z-Score, which compares BTC's market cap to its realized cap sits at 2.58, and remains below the levels historically associated with price peaks, suggests room for further growth. The 6-Month+ Holder Waves metric provides additional context, tracking the percentage of Bitcoin that has remained inactive for at least six months. Historically, long-term holders tend to sell during market peaks, taking profits as prices surge. During the last bull market peak, this metric dropped from around 70% to 60%. Currently, it remains steady at 70%, signaling that most long-term holders have yet to begin significant profit-taking.

However for Ethereum, the ETH/BTC exchange rate declined throughout 2024, dropping from a high of 0.06 in February to 0.036 by year-end, highlighting Ethereum's relative weakness compared to Bitcoin.

The first quarter of 2025 is set to be a pivotal period for both Bitcoin (BTC) and Ethereum (ETH), driven by major developments that could significantly shape market dynamics. Reports suggest that within his first 100 days in office, Trump may announce the establishment of a Strategic Bitcoin Reserve, marking an unprecedented move in U.S. financial policy. For Ethereum, an ETH ETF with staking launched by a major asset management firm could reverse ETH's weakness, driving significant inflows into ETF products.

Crypto Market Cap

Total crypto market cap ended 2024 at \$3.26 trillion, up 90% from the start of the year and 46% from Q3



12/31 Total Crypto MCap
\$3.26 Trillion
Change in Q4: **46.14%**

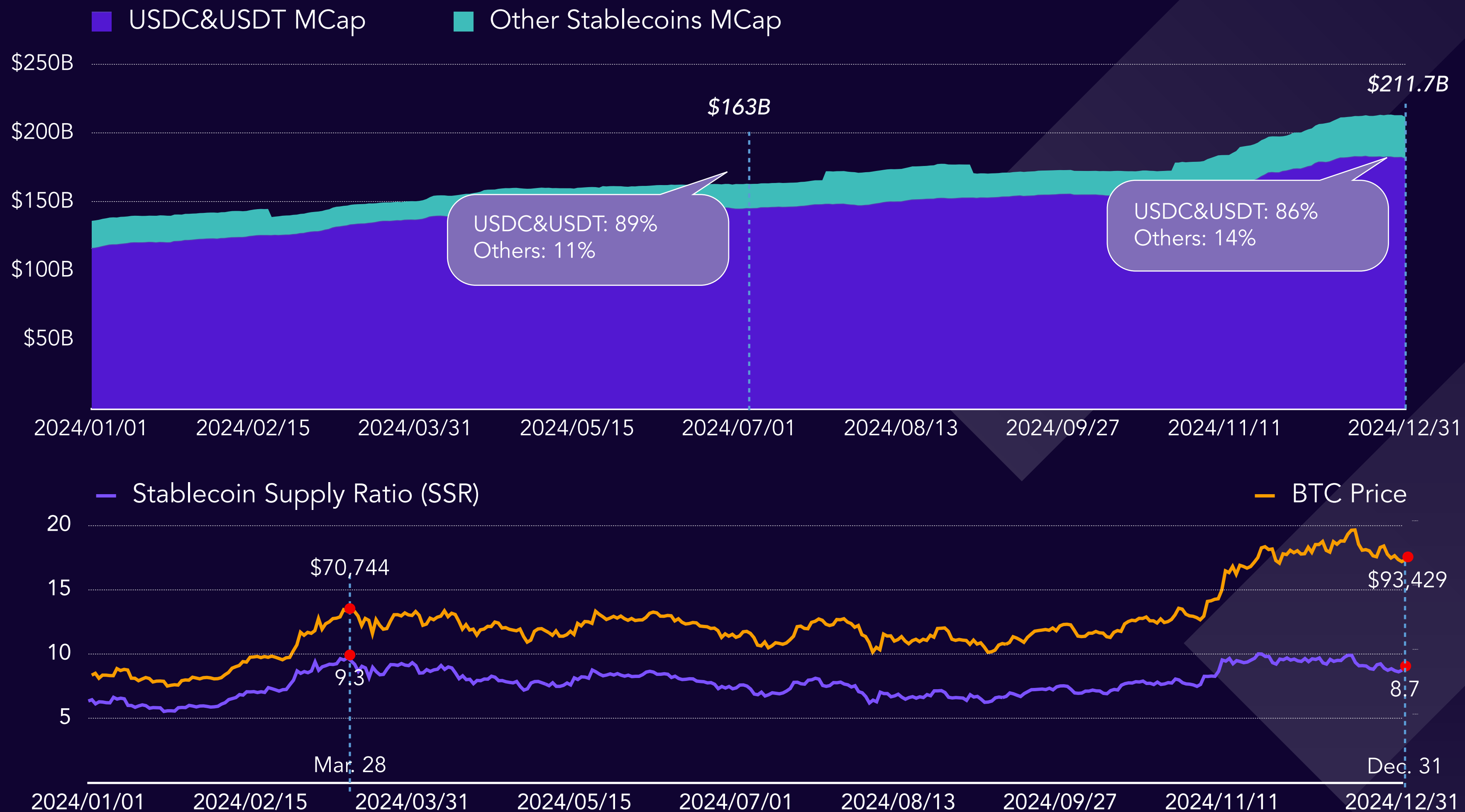
In 2024, the crypto market had a strong start, driven by the launch of Bitcoin ETFs, but entered a prolonged consolidation phase during Q2 and Q3. In September, the U.S. Fed began cutting interest rates, and the market reignited after the November U.S. election.

President Donald Trump was re-elected, potentially to introduce a number of pro-crypto initiatives. With the Republican Party gaining control of both the House and Senate, passing pro-crypto policies became significantly easier.

The market surged in Q4, with the total crypto market cap rising by over 46% from Q3. Additionally, daily trading volume jumped from \$71 billion in Q3 to over \$151 billion in Q4.

Stablecoin Market Cap

Stablecoin mcap reached \$211.7B by end-2024, up 29% from mid-year, with the SSR ratio steady at 8.7, signaling strong buying power



Total stablecoin market cap reached \$211.7B, up 29% from mid-year and 55% from the start of the year.

The emergence of new stablecoins like Ethena's USDe and PayPal's PYUSD caused a slight decline in the combined market share of USDT and USDC, now at 86%. USDe has been the biggest winner among new entrants, reaching a market cap of \$5.85B to become the third-largest stablecoin. Major players such as Stripe, Visa, and PayPal have also entered the stablecoin space, signaling growing interest in this market.

SSR measures the buying power of stablecoins relative to Bitcoin. A low SSR implies there is more buying power in stablecoins relative to Bitcoin. While Bitcoin price has surged to over \$93,000, the SSR ratio is still below the level seen in March 2024, indicating potential buying power.

Crypto Fear & Greed Index

While total crypto market cap remained at high levels at end of the year, the Fear And Greed Index reset to a neutral level of below 50



Dec. 31 Fear and Greed Index

48
Neutral

Throughout most of the year, the Fear and Greed Index, a key sentiment indicator, closely mirrored the trend of the total crypto market cap, with stronger market performance driving greater greed.

However, a significant divergence emerged toward the end of the year. While the crypto market held steady at high levels, the Fear and Greed Index reset to a neutral level below 50.

A neutral Fear and Greed Index while the market holds at high level indicates investors are behaving more rationally, which is a healthy sign for the market.

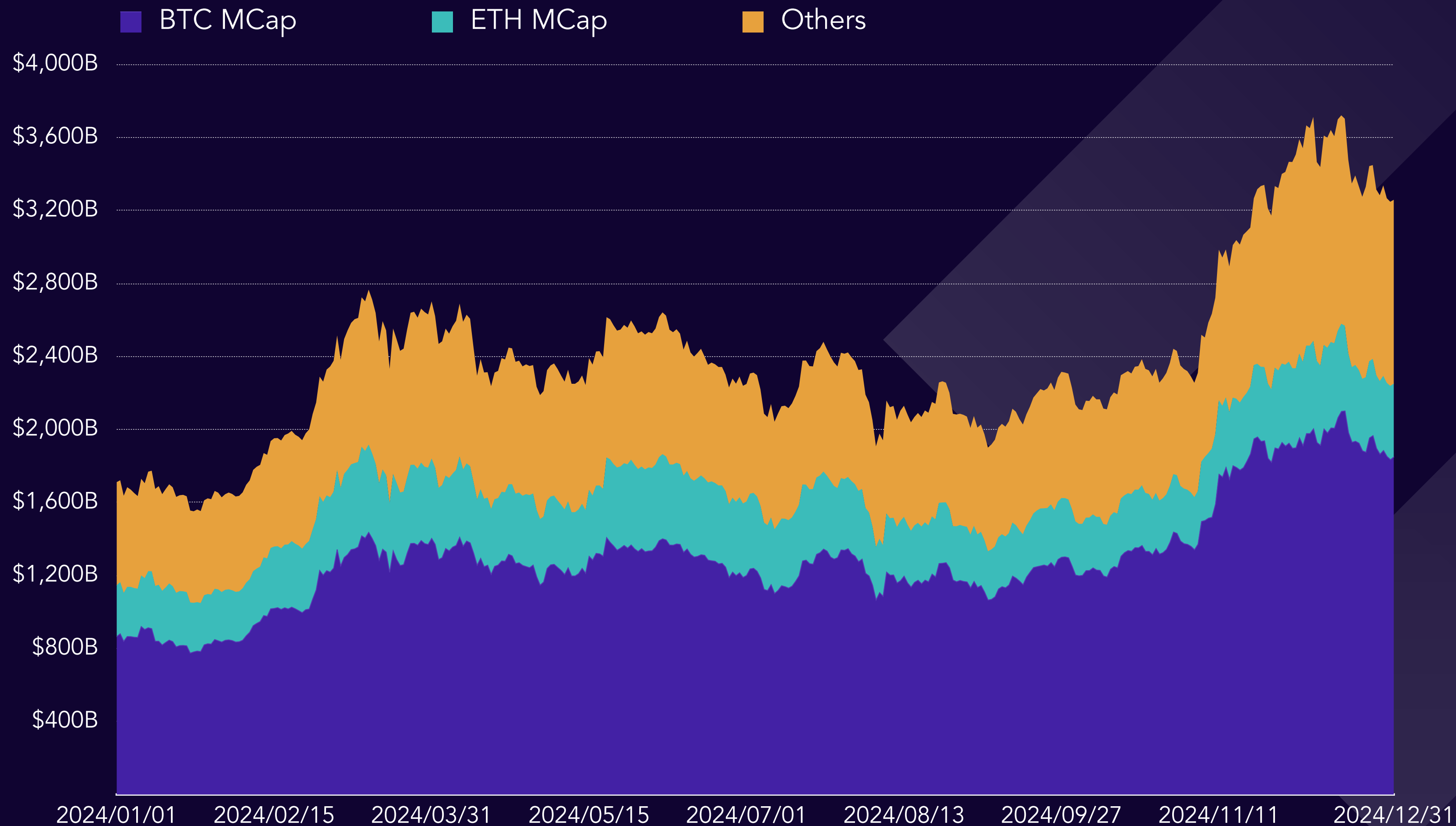
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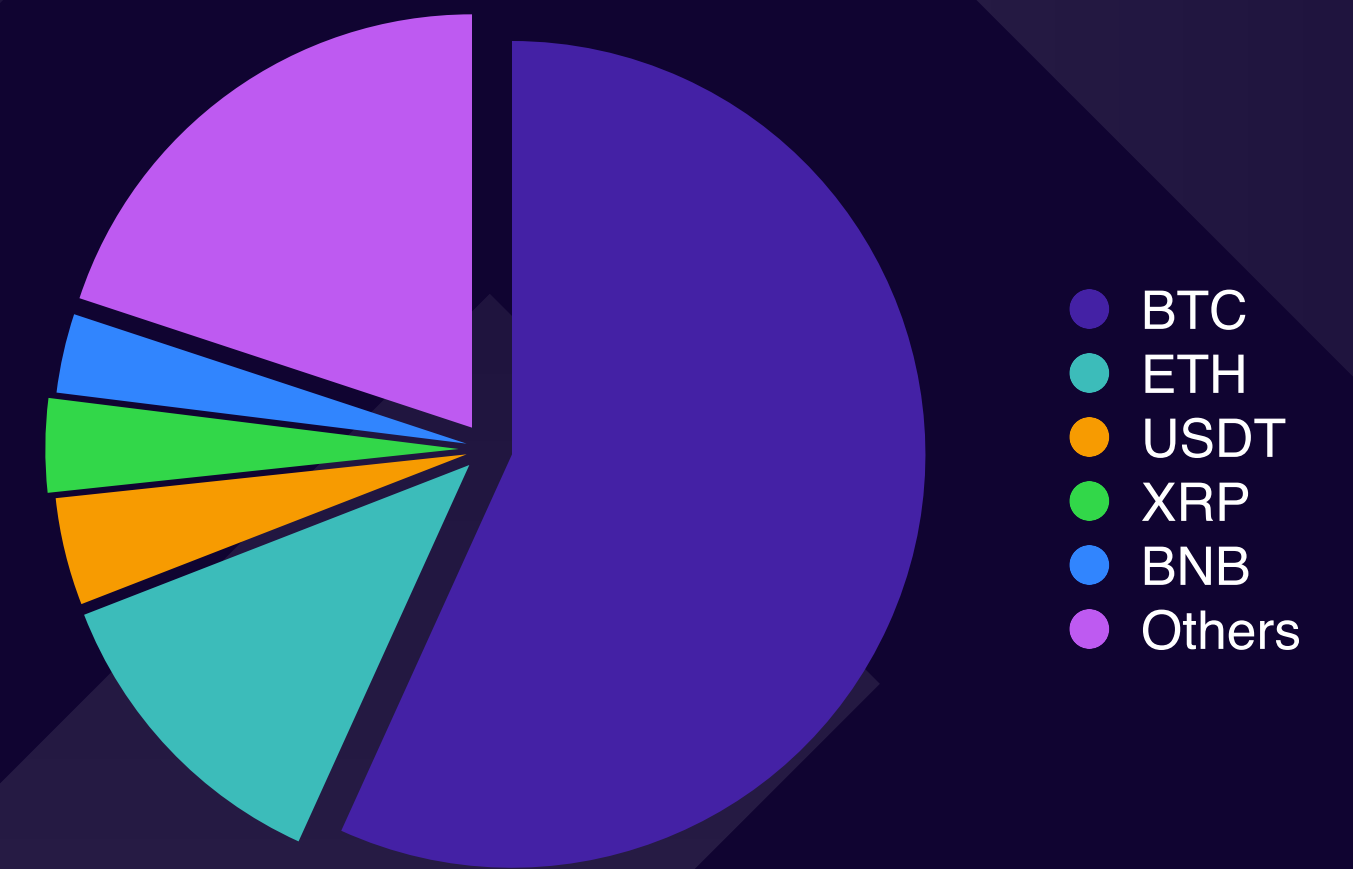
BTC & ETH

BTC & ETH Market Cap

BTC and ETH continue to dominate and XRP surged to fourth place, representing 4% of the total crypto market share



Crypto Market Share Dec 31

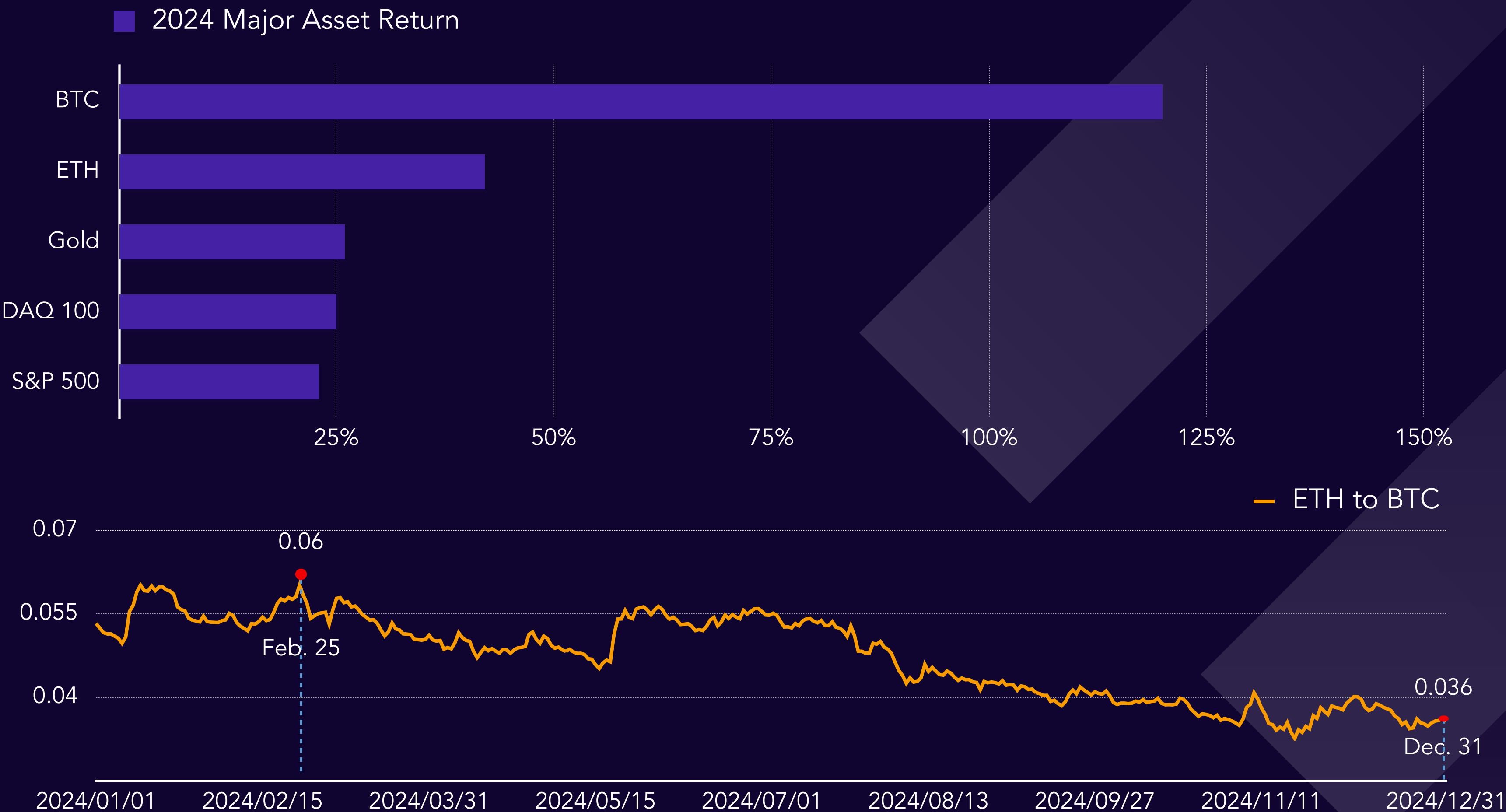


Bitcoin and Ethereum retained their dominant positions in 2024, with BTC market cap rising 114% and ETH market cap increasing 42%. By the end of the year, BTC accounted for 57% of the total crypto market share, while ETH held 12%.

XRP emerged as the fourth-largest cryptocurrency with a 4% market share, trailing only Tether's USDT. BNB maintained in the top 5 largest cryptocurrencies with a market share of 3%.

BTC & ETH Price Return

BTC outperformed all major assets in 2024, while ETH lagged as the ETH/BTC rate declined throughout the year



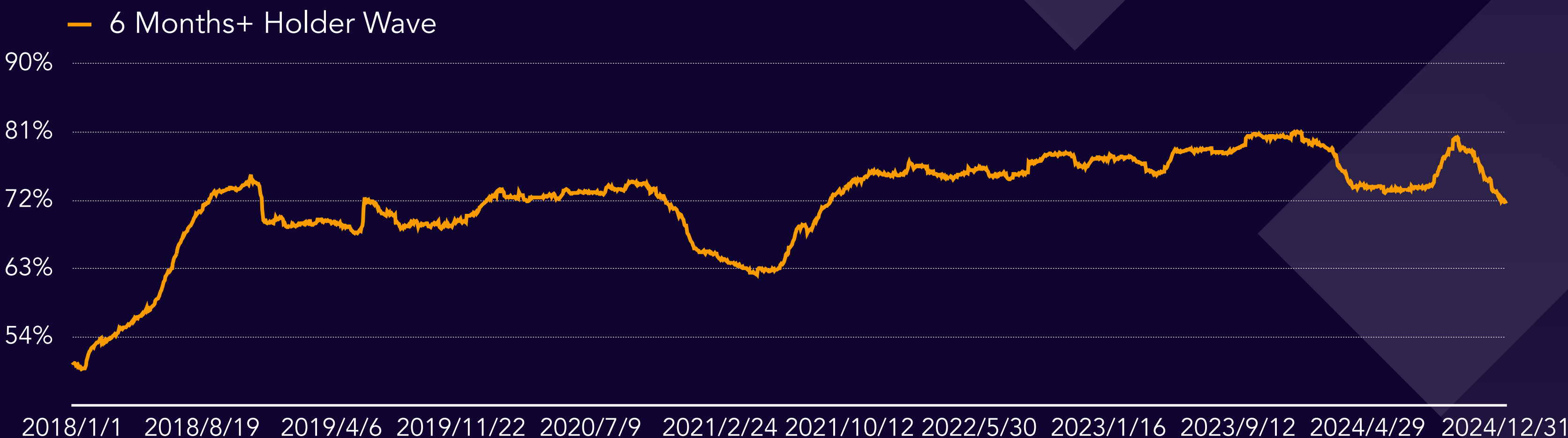
While U.S. stocks and gold performed well in 2024, each recording returns of over 20%, Bitcoin and Ethereum outshined them with far greater annual gains. Bitcoin delivered an impressive 120% yearly return, while Ethereum achieved a solid 42%.

The truly striking fact is that these returns were achieved in a macro environment where interest rates remained at around 5%. With the U.S. Federal Reserve beginning to cut rates in late 2024 and expected to continue easing in 2025 (albeit not significantly due to inflation concerns), both Bitcoin and Ethereum could see an extended rally.

The ETH/BTC exchange rate declined throughout 2024, dropping from a high of 0.06 in February to 0.036 by year-end, highlighting Ethereum's relative weakness compared to Bitcoin.

BTC MVRV Z-Score & Holder Waves

Current BTC Z-Score at a neutral level of 2.58, far below historical market peak; Long-term holders not yet begin selling coins at the level seen in previous bull runs



The Bitcoin MVRV Z-Score compares BTC's market cap to its realized cap, indicating whether the current price is significantly overvalued or undervalued. A Z-Score above 6 signals extreme overvaluation, while a score between 1 and 3 suggests the price is in a neutral zone.

The current Z-Score of 2.58 indicates the asset is transitioning into a full-fledged bull market. While it remains below levels historically associated with multi-year price peaks, investors should be prepared for potential periods of consolidation.

The 6-Month+ Holder Waves metric tracks the proportion of BTC that has remained inactive for at least six months. Historically, long-term holders tend to sell during market peaks for profit-taking.

During the last bull market peak, the metric fell from around 70% to 60%. Currently, it remains steady at 70%, suggesting that most long-term holders have yet to start selling their coins.

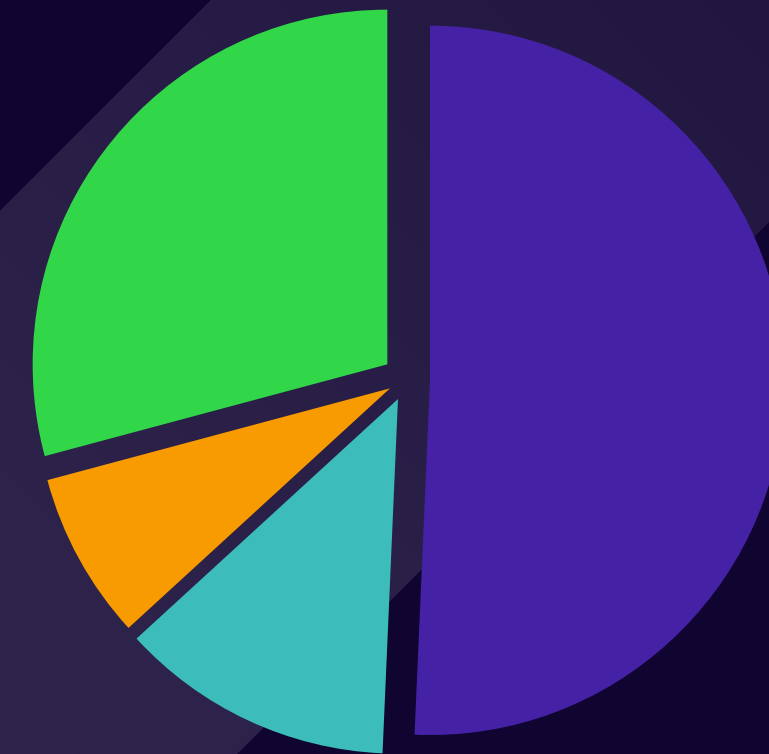
BTC as a Treasury Asset

Bitcoin has emerged as a notable consideration for corporate treasury management; Multiple public companies have added BTC as a corporate treasury asset

Bitcoin as Corporate Treasury (Excl. Miners & Exchange)

| | Country | Industry | Market Cap | Bitcoin | USD Value |
|-------------------|---------|-----------------------|------------|---------|-----------|
| MicroStrategy | U.S. | Business Intelligence | \$74.36B | 446,400 | \$41,416M |
| Telsa | U.S. | Auto | \$1,339.9B | 9,720 | \$912M |
| Block | U.S. | Fin Tech | \$54.22B | 8,363 | \$785M |
| Bitcoin Group SE | German | Financial Services | \$262M | 3,589 | \$337M |
| Boyaa | China | Online Game | \$374M | 3,183 | \$299M |
| Semler Scientific | U.S. | Medical Products | \$521M | 2,084 | \$196M |
| Exodus Movement | U.S. | Fin Tech | \$1.03B | 1,900 | \$178M |
| Metaplanet | Japan | Real Estate | \$805M | 1,762 | \$166M |

Entities Holding BTC



BTC by Entities



● Public Companies ● Private Companies
● Governments ● ETFs/Funds

Bitcoin has gained significant traction as a corporate treasury asset, offering companies a novel way to diversify their holdings and hedge against economic uncertainty. This trend reflects growing confidence in Bitcoin's role as a store of value and its potential to outperform traditional assets.

In addition to MicroStrategy, which now holds over 2% of the total BTC supply, several public companies across the U.S., HK, Germany, and Japan have adopted BTC as a corporate treasury asset. These companies span various industries, including fintech, gaming, medical products, and real estate.

MicroStrategy was added to the Nasdaq-100 Index on Dec 23, 2024. Numerous institutional investors, including pension funds, mutual funds, and ETFs, track the Nasdaq-100. These funds are now required to purchase its stock to align with the index composition, thereby gaining indirect exposure to Bitcoin.

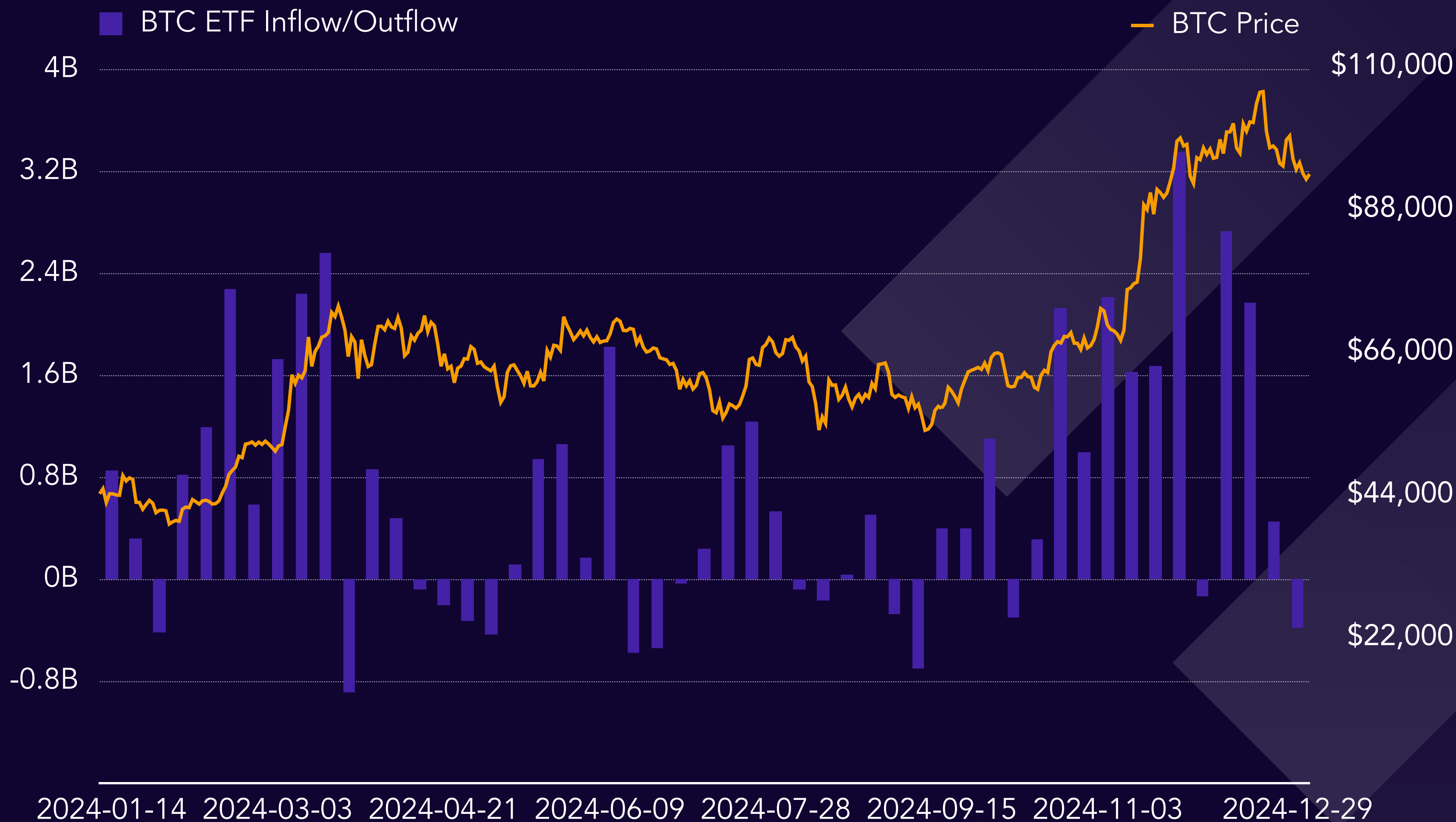
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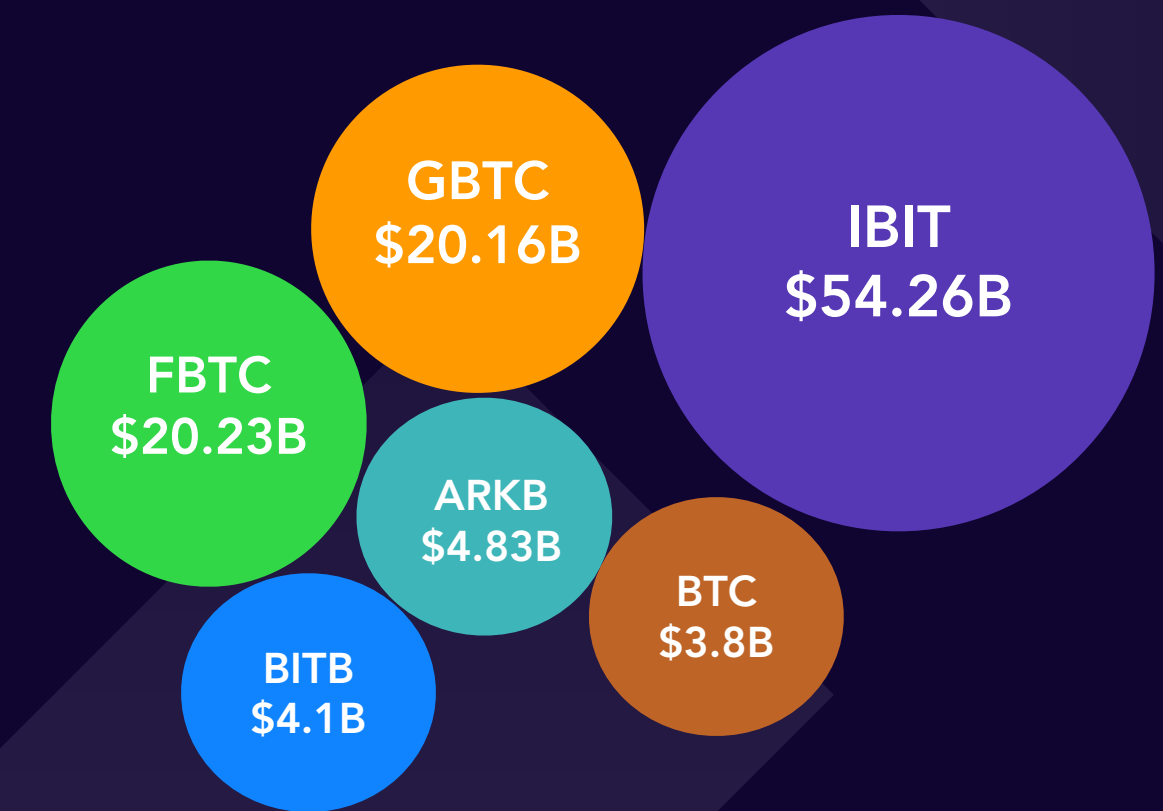
ETF

BTC Spot ETF

Spot Bitcoin ETFs recorded a remarkable \$35.66 billion in total net inflows in 2024 with BlockRock's IBIT leading the market



Top Bitcoin ETF by Net Assets

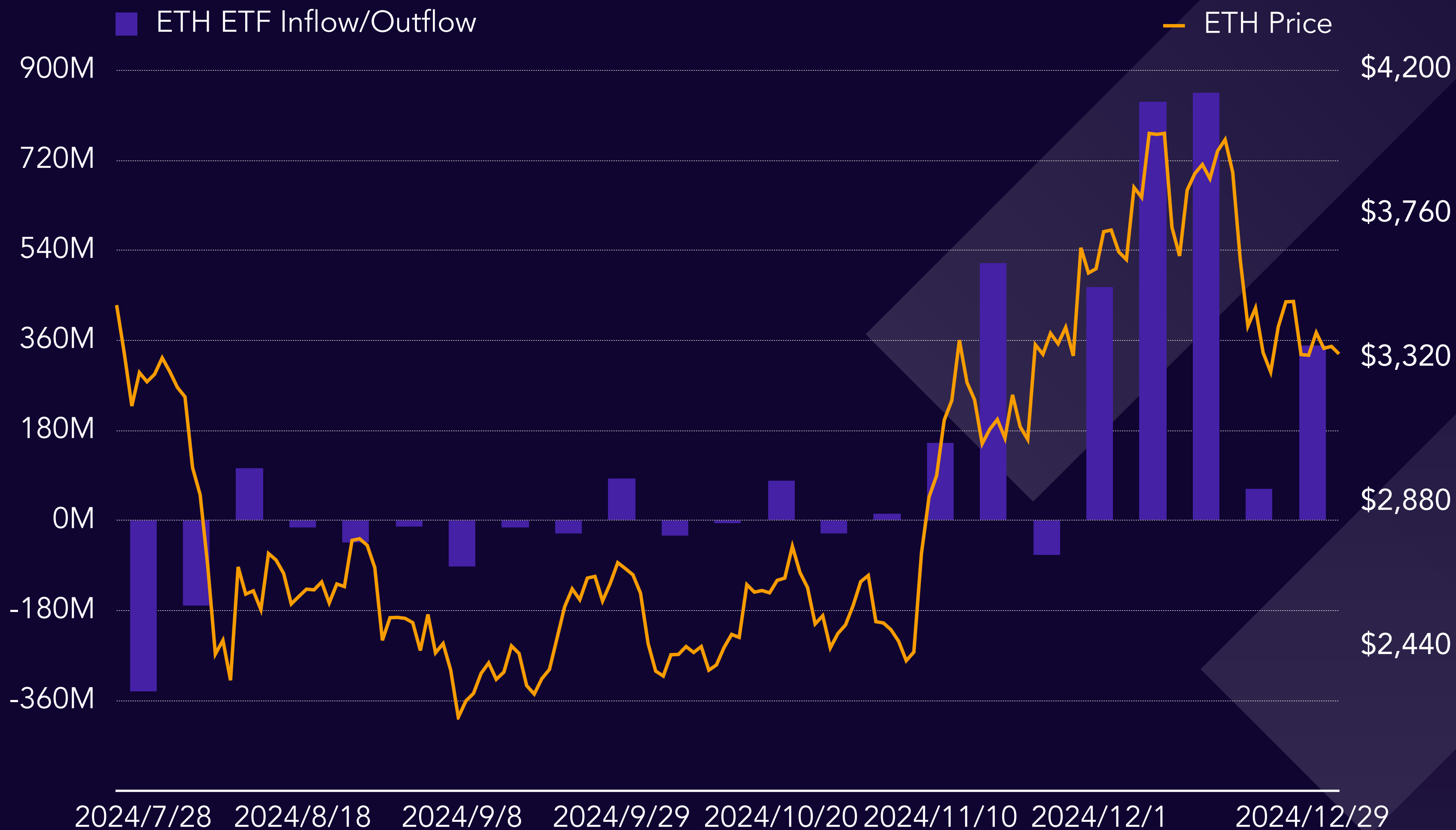


Launched in January 2024, U.S. spot Bitcoin ETFs provided investors with direct exposure to Bitcoin via regulated financial instruments. These ETFs experienced remarkable success throughout the year, garnering total net inflows exceeding \$35 billion.

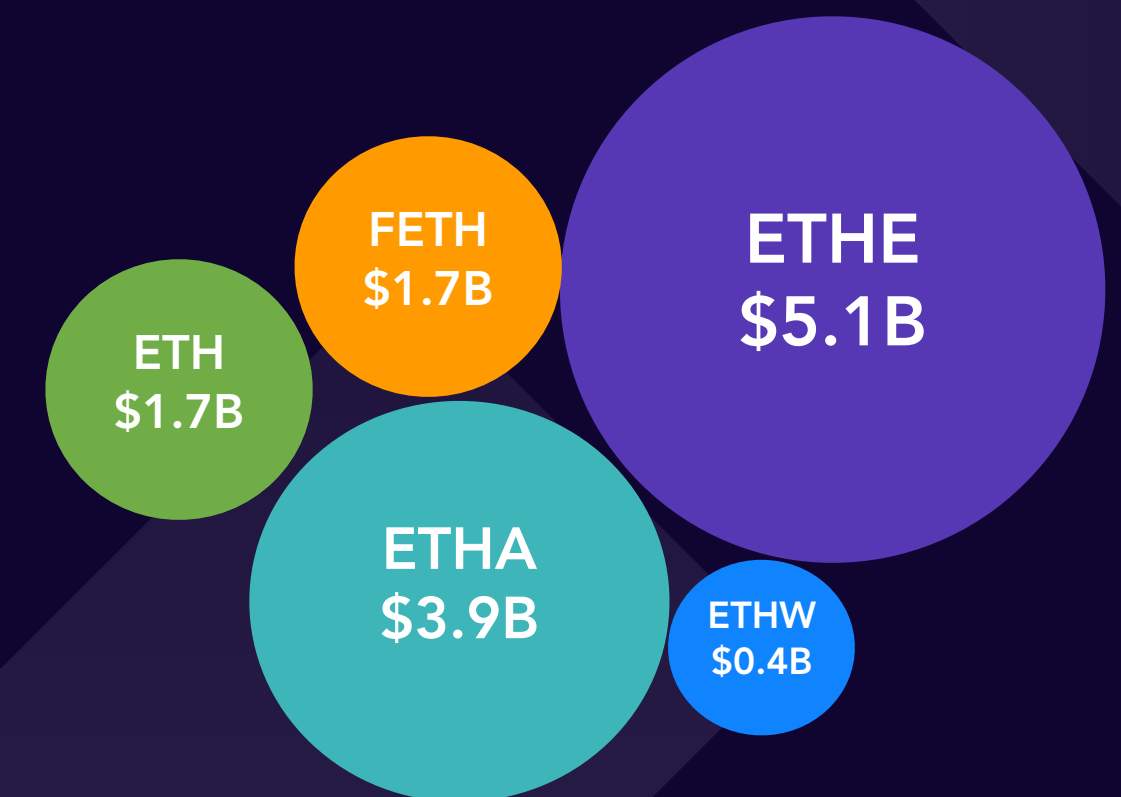
BlackRock's IBIT led the market in net asset value, followed by Fidelity's FBTC and Grayscale's GBTC.

ETH Spot ETF

After launching in July, ETH ETFs ended the year with total inflows of \$2.68B - a modest amount compared to the substantial inflows of BTC ETFs



Top Ethereum ETF by Net Assets



Unlike the significant inflows seen with BTC ETFs, ETH ETFs ended the year with a modest total of \$2.68 billion in inflows. Grayscale's ETHE led the market in net asset value, followed by BlackRock's ETHA and Fidelity's FETH.

The market anticipates that a staked ETH ETF could be approved during the Trump administration, potentially enhancing the attractiveness of ETH ETFs significantly.

Crypto Market Report 2024 Q4

Policies & Events

Trump's Crypto Promises

The incoming Trump administration is expected to implement significant changes to U.S. Crypto policy, creating a more favorable environment for digital assets



Pro-Crypto SEC Chairman

Trump picked **Paul Atkins** as the new SEC Chairman. Paul Atkins is a former SEC commissioner and has deep ties to crypto through his association with **Securitize**, a platform for tokenizing real-world assets on blockchain.



Strategic Bitcoin Reserve

The administration plans to establish a strategic Bitcoin Reserve. Republican senator Cynthia Lummis has introduced the BITCOIN Act bill to Congress, which proposes the U.S. buy 1 million bitcoins over five-year period.



No Income Tax on U.S. Coins

Trump has proposed the elimination of capital gains tax on crypto coins issued by American companies. If this happens, it could drive significant capital flows towards US-based cryptocurrencies, such as XRP, ADA, SOL.



Passing a Crypto Bill

It is very likely a crypto bill could be passed during Trump's administration. The Republicans now control both the House and Senate. Bills, like FIT 21, have already gained bipartisan traction. A Crypto Bill will provide a clearer regulatory

Pro-Crypto Appointments

David O. Sacks as Crypto & AI Czar. David is a early investor of Solana.

Howard Lutnick as Secretary of Commerce. Howard has a deep connection with Tether.

Scott Bessent as Secretary of the Treasury. Scott supports crypto and has said "Crypto is about freedom."

House of Representatives

274 pro-crypto

122 anti-crypto

Senate

20 pro-crypto

12 anti-crypto

Events in Q4 2024 & Catalysts in Q1 2025

Top Layer 1



Ripple's XRP token surged more than 400% in Q4, and once surpassed USDT becoming the 3rd largest cryptocurrencies, The surge is mainly driven by favorable U.S. regulatory environment



The hype around Solana-based memecoins continues, driving up the network volume and boosting SOL price



SUI continued reaching all-time highs, attracting significant investor interest as its eco-system expanded and stablecoins rapidly flow into.

Top Sector

DeSci: Bio protocol and pump.science-related tokens lead the sector

MEME: Fartcoin, PNUT, GOAT, ACT, TURBO

AI Agent: Virtuals, ai16z, Swarms, Zerebro

Global Crypto Policies

- *In U.S.*, the election of President Donald Trump has ushered in a new era of crypto-friendly administration.
- *In Europe*, Markets in Crypto-Assets (MiCA) is set to be fully enforced by December 30, 2024, introducing comprehensive standards for transparency, liquidity, and consumer protection for crypto assets.
- *In Russia*, effective from Nov 2024, crypto miners for businesses and individuals can register under Ministry of Digital Development.

BTC & ETH Catalysts

For BTC:

- Possible Trump's Executive Order on Strategic Bitcoin Reserve within first 100 days in office;
- Progress in Bitcoin scaling & programmability development, especially BitVM and OP_CAT, and BTCFi break outs.

For ETH:

- Major asset management firms in U.S. launch ETH ETFs with Staking, significantly boosting ETF inflows

Altcoin Catalysts

AI x Crypto Deep Integration:

- AI-Powered dApps, AI-Governed DAOs, AI-Powered KOLs
- AI Bots acting autonomously in crypto ecosystem, owning wallets, trading, and even launching protocols

Stablecoin Boom Just Beginning:

- Favorable regulations and high interest rates environment are set to drive significant growth in stablecoins, especially yield-bearing ones. These new capitals will ultimately flow into altcoin market, as BTC, ETH are increasing driven by institutional

Q4 2024 ← → Q1 2025



Thank You!

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