



28 February 2025

# WisdomTree Crypto Monthly



WisdomTree.eu  
+44 (0) 207448 4330



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## February overview

WisdomTree published four crypto blogs in February 2025.

+ [Crypto Chaos: Solana's Struggles, Bybit's Breach, and Leveraged Liquidations](#)

Crypto markets faced a perfect storm this week, tumbling to their lowest levels in months. Macro uncertainty, a \$1.4 billion exchange hack, Solana's memecoin collapse, mass liquidations, and an upcoming token unlock all contributed to the sharp sell-off. Despite that turbulence, this appears to be a leverage reset rather than a structural collapse, with long-term fundamentals remaining intact.

Published on 28 February 2025.

+ [Investing in the 'S&P 500 of crypto'](#)

For investors looking for a smarter, diversified exposure to the crypto market, crypto basket exchange-traded products (ETPs) could offer a strategic way to capture opportunity whilst mitigating single-coin risk. With its robust methodology, the CoinDesk 20 index is setting the standard and is positioned to become the S&P 500 of crypto.

Published on 19 February 2025.

+ [Beyond competition: how blockchain interoperability is shaping the future of digital assets](#)

While competition between blockchains, such as Ethereum and Solana, has been a key driver of innovation, interoperability is emerging as an equally powerful force shaping the digital asset ecosystem. Unlike competition, which pushes individual networks to optimise performance, interoperability fosters collaboration, enabling seamless communication and asset transfers across multiple blockchains.

Published on 17 February 2025.

+ [2025: a turning point for blockchain equities](#)

The shifting US policy stance on blockchain and digital assets is creating an environment for the technology to thrive. Until now, blockchain equities have faced regulatory headwinds that stifled innovation. But with recent market developments and new leadership, the first signs of a major transition are emerging, positioning blockchain equities as a potential opportunity for 2025.

Published on 10 February 2025.

Source: WisdomTree. 28 February 2025. Please click on a title to read the full blog.

# Flows and assets under management (AUM)

## Crypto ETPs domiciled in Europe

In USDm		AUM	1M Flows	1Y Flows
Bitcoin	Physical	5,445	182	-268
Bitcoin	Synthetic	2,407	-58	-729
Ethereum	Physical	975	59	225
Ethereum	Synthetic	645	6	-188
Solana	Physical	1,283	30	154
XRP	Physical	1,258	90	847
Other Single Coin	Physical	1,182	30	449
Crypto Basket	Physical	944	57	245
Cardano	Physical	100	4	25
Polkadot	Physical	53	5	50
<b>Total</b>		<b>14,292</b>	<b>404</b>	<b>811</b>

## Crypto ETFs domiciled in the U.S.

In USDm		AUM	1M Flows	1Y Flows
Bitcoin	Physical	95,377	-3,573	29,531
Bitcoin	Synthetic	5,569	184	3,023
Ethereum	Physical	8,062	60	2,820
Ethereum	Synthetic	780	344	1,839
<b>Total</b>		<b>109,788</b>	<b>-2,986</b>	<b>37,213</b>

## Crypto ETPs domiciled in Rest of the World


In USDm		AUM	1M Flows	1Y Flows
Bitcoin	Physical	3,798	16	348
Bitcoin	Synthetic	126	-12	-48
Ethereum	Physical	810	11	-23
Ethereum	Synthetic	59	1	5
Crypto Basket	Physical	660	11	16
<b>Total</b>		<b>5,453</b>	<b>27</b>	<b>298</b>

Source: Bloomberg, WisdomTree. 03 March 2025. Actively managed crypto ETPs and ETFs are excluded. 1M = One month. 1Y = One year. **Historical performance is not an indication of future performance and any investment may go down in value. Cryptocurrencies are a high-risk investment and may not be suitable for all types of investor. Cryptocurrencies can demonstrate higher volatility than other asset classes.**

# Bitcoin tactical: fundamental view


## Price to number of unique addresses ratio

Bitcoin is a network, and the value of any network is very much linked to the number of unique accounts (here: unique addresses) that it connects. This ratio is bearish when \$1 invested into bitcoin buys fewer unique addresses and bullish when it buys more unique addresses. For example, if the whole bitcoin network consisted of 10 unique addresses and if bitcoin price was \$1, the ratio would be 0.10. Then if bitcoin network grew to 20 unique addresses but its price remained \$1, ratio would be 0.05. This lower ratio would be a bullish signal as it would indicate that the same \$1 is buying a more valuable network.

Now: <b>Neutral</b> at 0.09  Change since last month: ↑	Most Bearish		Most Bullish	
	Date	23/02/2025	25/01/2024	
	Value	0.19	0.04	
	Bitcoin return over the next month	--	29.6%	

## Per cent of entities in profit

Per cent of entities in profit shows what per cent of entities on average bought bitcoin at lower prices than the current price. When there are more entities in profit, it is more likely that a portion of them will sell bitcoin to lock in profits. As such, high per cent of entities in profit is a bearish signal as it hints to supply increasing. On the other side, low per cent of entities in profit is a bullish signal as it implies bitcoin price correction which may be a good entry point.


Now: <b>Neutral</b> at 89%  Change since last month: ↑	Most Bearish		Most Bullish	
	Date	15/12/2024	22/01/2024	
	Value	100%	80%	
	Bitcoin return over the next month	-4.0%	26.9%	

Source: Glassnode, WisdomTree. From 31 December 2023 to 28 February 2025. Daily data. ↑ = More bullish. ↓ = More bearish. → = No change.

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### Hash rate, in quintillion

Hash rate is the estimated computational power used for mining. The higher the hash rate, the more miners there are. When bitcoin price significantly exceeds the marginal cost of production, the number of miners increases as they can make money. It usually indicates that bitcoin is close to hitting its price ceiling which is a bearish signal. On the other side, when miners’ marginal cost of production is higher than bitcoin price, miners capitulate (i.e. stop mining). This tends to be a clear signal that bitcoin price is hitting its bottom and that it is a good time to buy it.

Now: <b>Bearish neutral</b> at 837  Change since last month: ↓	Most Bearish		Most Bullish	
	Date	01/02/2025	15/01/2024	
	Value	980	413	
	Bitcoin return over the next month	--	23.3%	

### Illiquid supply

Here illiquid supply shows the per cent of bitcoin that was last active more than one year ago. When this percent increases, it indicates reduced supply as there are fewer bitcoins in circulation. And when this percent decreases, it indicates increased supply as there are more bitcoins in circulation. Assuming demand remains the same, lower supply is bullish for bitcoin price and higher supply is bearish for bitcoin price.

Now: <b>Bearish</b> at 62%  Change since last month: →	Most Bearish		Most Bullish	
	Date	11/02/2025	07/01/2024	
	Value	62%	70%	
	Bitcoin return over the next month	--	-2.7%	

Source: Glassnode, WisdomTree. From 31 December 2023 to 28 February 2025. Daily data. ↑ = More bullish. ↓ = More bearish. → = No change.

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## Bitcoin-to-gold ratio

- + Bitcoin-to-gold ratio has declined from its peak, indicating a shift in relative performance as gold gains ground against bitcoin.
- + Investor preference appears to be tilting back toward gold, suggesting a renewed demand for traditional safe-haven assets amid changing market dynamics and macroeconomic uncertainty.



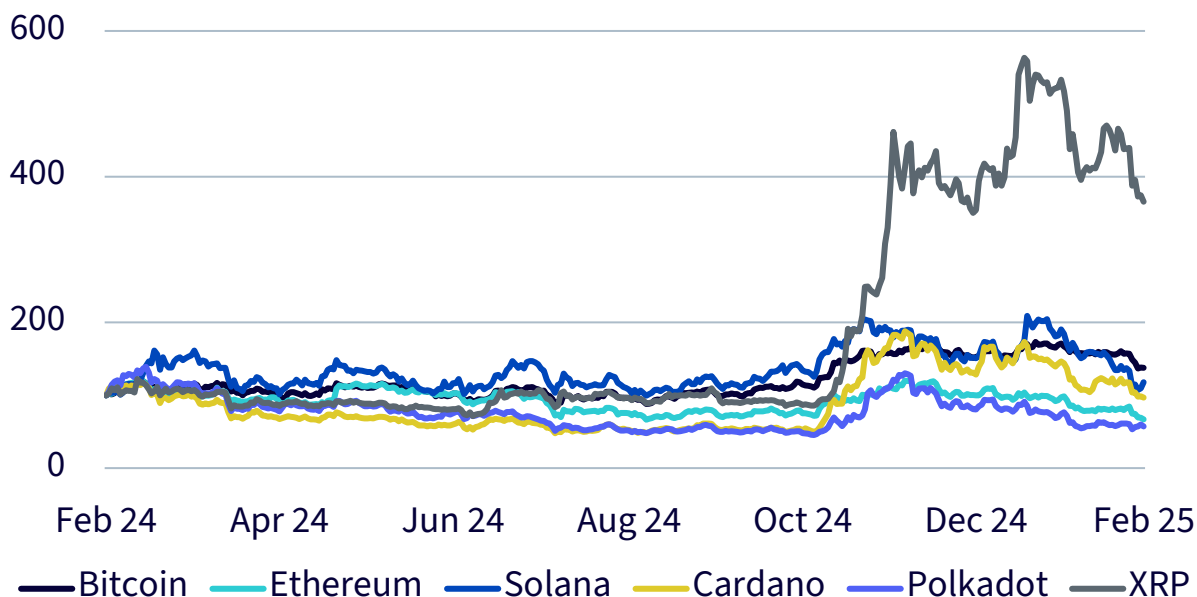
Source: WisdomTree. 28 February 2025.

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# Performance: single coins

- + Over the past year, XRP has outperformed its large-cap peers.
- + Among major cryptocurrencies, bitcoin remains the least volatile asset.

## 1-Year Single Coin Performance



	Market Cap	1M	3M	YTD	1Y	Volatility
Bitcoin	1,675	-18%	-13%	-10%	38%	43%
Ethereum	270	-32%	-40%	-33%	-33%	66%
XRP	124	-29%	11%	3%	266%	103%
Solana	74	-36%	-38%	-22%	18%	91%
Cardano	23	-33%	-41%	-25%	-3%	94%
Polkadot	7	-25%	-47%	-29%	-43%	96%

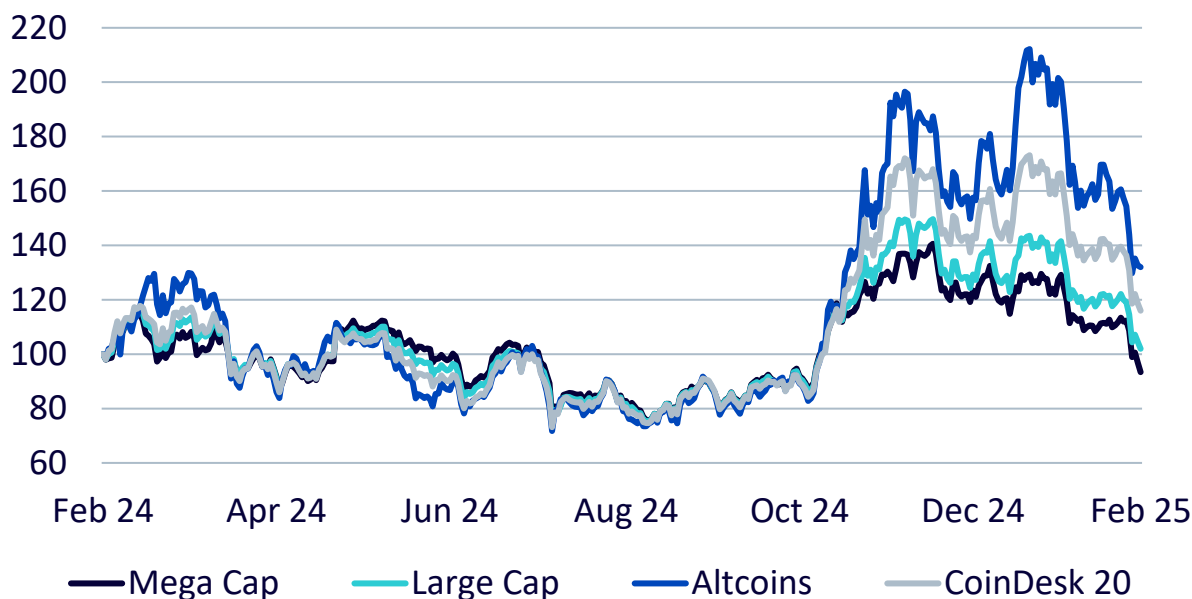
Source: WisdomTree, Artemis Terminal. 28 February 2025. Volatility is calculated using 90-day daily USD returns and is annualised. 1M = One month. 3M = Three months. YTD = Year to date. 1Y = One year.

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# Performance: crypto baskets

- + Over the past year, altcoins have delivered the strongest performance among crypto baskets.
- + However, this outperformance came with higher volatility compared to mega-cap and large-cap crypto baskets.

## 1-Year Crypto Basket Performance



	1M	3M	YTD	1Y	Volatility
Mega Cap	-28%	-28%	-24%	-7%	52%
Large Cap	-28%	-25%	-21%	2%	57%
Altcoins	-34%	-22%	-16%	32%	86%
CoinDesk 20	-30%	-24%	-19%	16%	67%

Source: WisdomTree. 28 February 2025. Volatility is calculated using 3-month daily USD returns and is annualised. 1M = One month. 3M = Three months. YTD = Year to date. 1Y = One year. Mega Cap = WisdomTree CF Crypto Mega Cap Equal Weight Index. Large Cap = WisdomTree CF Crypto Market Index. Altcoins = WisdomTree CF Crypto Altcoins Index. CoinDesk 20 = CoinDesk 20 Index.

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# Correlations

- + The CoinDesk 20 index maintains high correlations with altcoin and large cap indices, reflecting its comprehensive market representation.
- + Bitcoin’s correlation with most traditional assets remains low, hovering around or below 20%.

## Crypto vs. crypto

	Bitcoin	Ethereum	Solana	Cardano	Polkadot	XRP	Mega Cap	Large Cap	Altcoins	CoinDesk 20
Bitcoin	1.00									
Ethereum	0.77	1.00								
Solana	0.64	0.55	1.00							
Cardano	0.63	0.75	0.56	1.00						
Polkadot	0.65	0.80	0.53	0.83	1.00					
XRP	0.53	0.52	0.46	0.70	0.64	1.00				
Mega Cap	0.45	0.49	0.50	0.49	0.46	0.33	1.00			
Large Cap	0.46	0.48	0.52	0.54	0.51	0.45	0.97	1.00		
Altcoins	0.44	0.40	0.50	0.54	0.48	0.58	0.77	0.89	1.00	
CoinDesk 20	0.45	0.45	0.50	0.55	0.50	0.54	0.88	0.96	0.98	1.00

## Crypto vs. traditional assets

	Bitcoin	Equities	Small Caps	Treasuries	Corporates	High Yield	Commodities	Gold
Bitcoin	1.00							
Equities	0.19	1.00						
Small Caps	0.22	0.95	1.00					
Treasuries	0.09	0.22	0.24	1.00				
Corporates	0.11	0.48	0.50	0.87	1.00			
High Yield	0.17	0.79	0.81	0.45	0.75	1.00		
Commodities	0.12	0.42	0.44	0.09	0.19	0.40	1.00	
Gold	0.06	0.18	0.20	0.56	0.48	0.31	0.33	1.00

Source: WisdomTree, Artemis Terminal, Bloomberg. 28 February 2025. Crypto vs. crypto correlations are calculated using 3-month daily USD returns. Crypto vs. traditional assets correlation is calculated for 31 December 2013 to 28 February 2025 period using weekly USD returns. Mega Cap = WisdomTree CF Crypto Mega Cap Equal Weight Index. Large Cap = WisdomTree CF Crypto Market Index. Altcoins = WisdomTree CF Crypto Altcoins Index. CoinDesk 20 = CoinDesk 20 Index.

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# Bitcoin in multi-asset portfolio

- + Even small bitcoin allocations, regularly rebalanced, improve risk return profile.
- + Hypothetical portfolio characteristics:
  - + Weighting scheme: constant mix
  - + Start date: 31 December 2013
  - + Rebalance frequency: monthly
  - + Currency: USD
  - + Bitcoin allocation: the table below summarizes 4 example portfolios, for which 1 to 10% have been switched from 60/40 to bitcoin

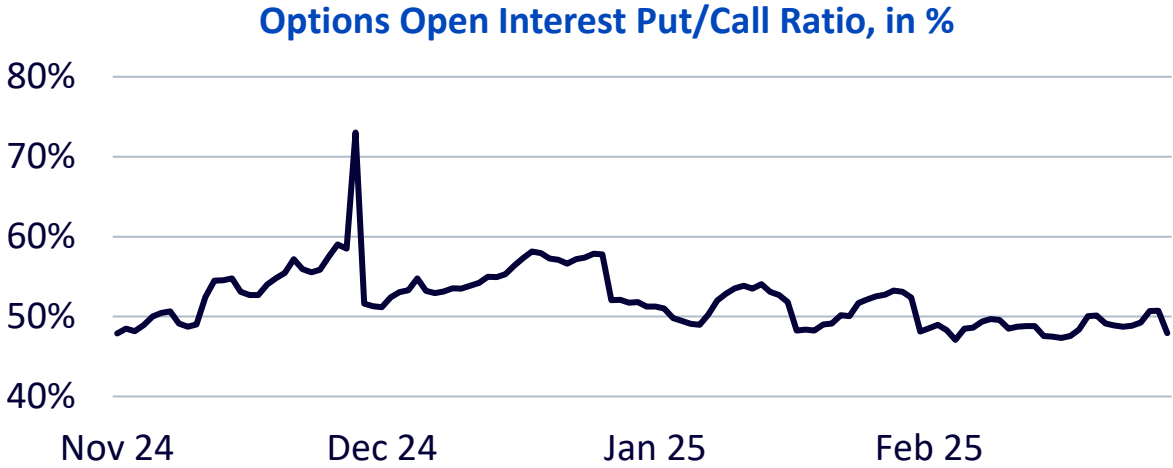
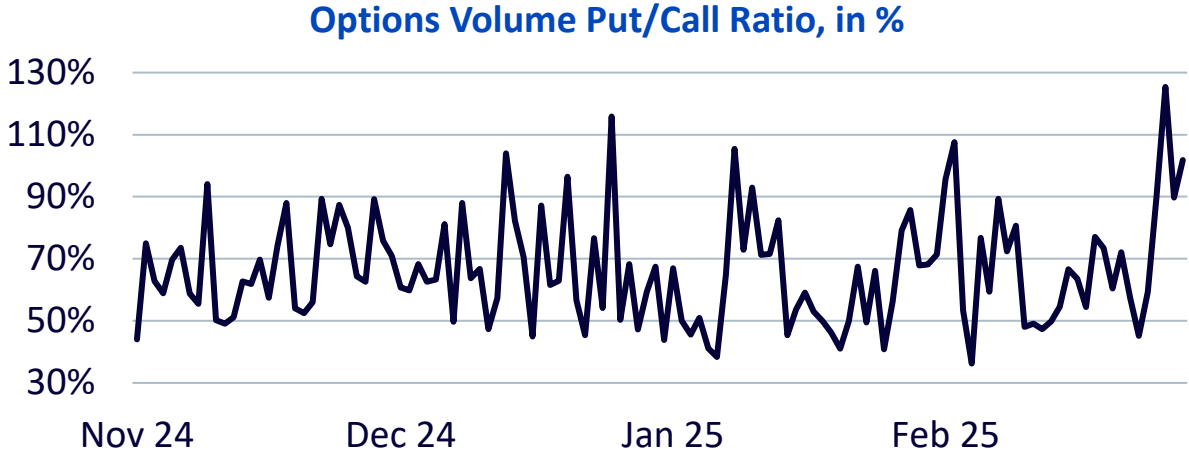
	60/40 Global Portfolio	1% Bitcoin Portfolio	3% Bitcoin Portfolio	5% Bitcoin Portfolio	10% Bitcoin Portfolio	MSCI AC World	Bloomberg Multiverse	Bitcoin
Annualised Return	5.65%	6.31%	7.63%	8.93%	12.16%	8.89%	0.54%	52.68%
Volatility	8.76%	8.83%	9.11%	9.58%	11.37%	13.87%	5.04%	66.83%
Sharpe Ratio	0.46	0.53	0.66	0.76	0.92	0.52	-0.22	0.76
Information Ratio		0.97	0.97	0.97	0.97			
Beta	70%	71%	73%	75%	81%	100%	24%	182%

Source: Bloomberg, WisdomTree. From 31 December 2013 to 28 February 2025. In USD. Based on daily returns. The 60/40 Global Portfolio is composed of 60% MSCI All Country World and 40% Bloomberg Multiverse.

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# Bitcoin options

- + A bearish signal as bitcoin’s options volume put/call ratio increased from 44% to 102% over the past four months, while the open interest put/call ratio remained unchanged.



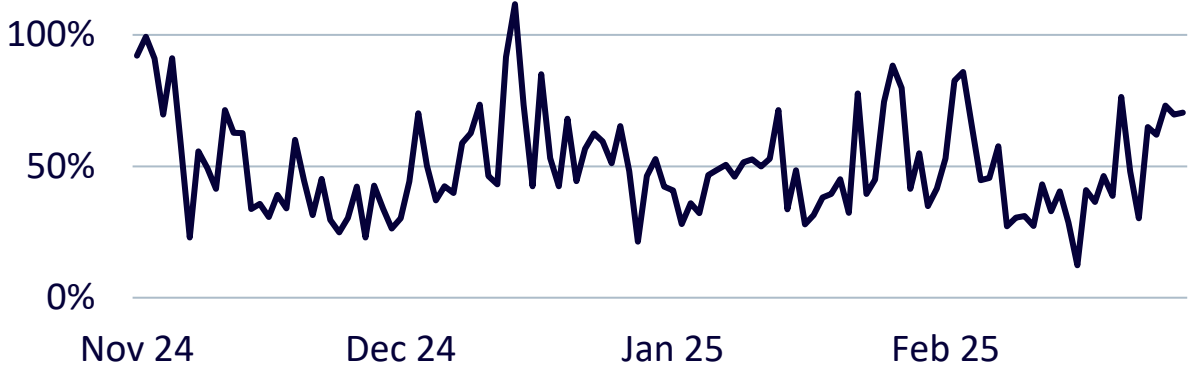
Source: Glassnode. 28 February 2025.

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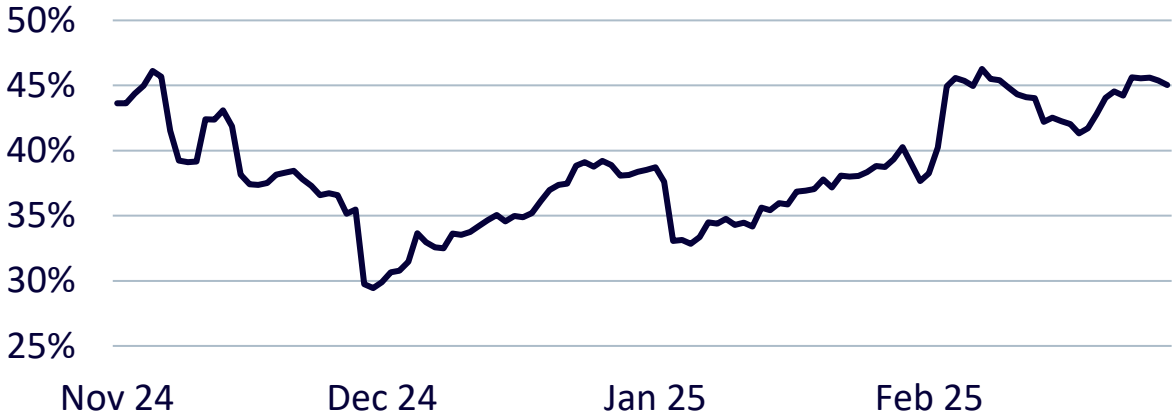
# Ether options

- + A less bullish signal as ether’s options volume put/call ratio rebounded to 70%.
- + Meanwhile, the open interest put/call ratio remains largely unchanged, suggesting that overall market sentiment is stabilising rather than shifting aggressively.

**Options Volume Put/Call Ratio, in %**



**Options Open Interest Put/Call Ratio, in %**



Source: Glassnode. 28 February 2025.

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