



31 January 2025

# WisdomTree Crypto Monthly



WisdomTree.eu  
+44 (0) 207448 4330



# Table of Contents

- 1. January overview..... 2
- 2. Flows and assets under management (AUM) ..... 3
- Crypto ETPs domiciled in Europe..... 3
- Crypto ETFs domiciled in the U.S. .... 3
- Crypto ETPs domiciled in Rest of the World ..... 3
- 3. Bitcoin tactical: fundamental view ..... 4
- Price to number of unique addresses ratio ..... 4
- Per cent of entities in profit ..... 4
- Hash rate, in quintillion ..... 5
- Illiquid supply ..... 5
- 4. Bitcoin-to-gold ratio ..... 6
- 5. Performance: single coins ..... 7
- 6. Performance: crypto baskets ..... 8
- 7. Correlations..... 9
- Crypto vs. crypto ..... 9
- Crypto vs. traditional assets ..... 9
- 8. Bitcoin in multi-asset portfolio ..... 10
- 9. Bitcoin options ..... 11
- 10. Ether options ..... 12
- 11. Disclaimer ..... 13

## January overview

WisdomTree published three crypto blogs in January 2025.

+ [Bitcoin-to-gold ratio: a telling metric for 2025](#)

As bitcoin continues to challenge traditional concepts of value and wealth preservation, the bitcoin-to-gold ratio offers a lens into the future of money itself. The dynamic between bitcoin and gold is not just a contest of performance, it is a reflection of the shifting foundations of the global financial system. In 2025 and beyond, monitoring the bitcoin-to-gold ratio could provide crucial insights into the direction of this transition.

Published on 27 January 2025.

+ [What does 2025 hold for 2024's 'winners': Bitcoin, Japan, and Small Cap EM?](#)

As we roll into the New Year, we reflect on various strong performing assets from 2024 and provide an outlook for the coming year. In part 1 of this two-part series, we look at Bitcoin, Japan and Small Cap Emerging Markets.

Published on 16 January 2025.

+ [Top 5 crypto trends to watch in 2025](#)

2025 is set to be a defining year for crypto, as innovation, regulation, and adoption converge. Whether it is bitcoin cementing its position as a portfolio staple, Ethereum scaling for mainstream use, or tokenization unlocking liquidity in untapped markets, the crypto ecosystem is poised for explosive growth. For investors and institutions alike, the opportunities have never been clearer or more compelling.

Published on 13 January 2025.

Source: WisdomTree. 31 January 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	6,816	105	-418
Bitcoin	Synthetic	2,995	-91	-719
Ethereum	Physical	1,410	-103	227
Ethereum	Synthetic	1,007	-13	-202
Solana	Physical	2,083	32	118
XRP	Physical	1,734	130	775
Other Single Coin	Physical	1,542	51	448
Crypto Basket	Physical	1,196	37	202
Cardano	Physical	151	3	22
Polkadot	Physical	68	6	47
<b>Total</b>		<b>19,002</b>	<b>158</b>	<b>500</b>

## Crypto ETFs domiciled in the U.S.

In USDm		AUM	1M Flows	1Y Flows
Bitcoin	Physical	119,655	5,257	39,138
Bitcoin	Synthetic	7,510	-29	2,995
Ethereum	Physical	12,078	101	2,760
Ethereum	Synthetic	1,281	201	1,511
<b>Total</b>		<b>140,525</b>	<b>5,530</b>	<b>46,404</b>

## Crypto ETPs domiciled in Rest of the World

In USDm		AUM	1M Flows	1Y Flows
Bitcoin	Physical	3,973	80	334
Bitcoin	Synthetic	151	-36	16
Ethereum	Physical	951	8	-1
Ethereum	Synthetic	65	-1	8
Crypto Basket	Physical	838	23	6
<b>Total</b>		<b>5,979</b>	<b>75</b>	<b>363</b>

Source: Bloomberg, WisdomTree. 31 January 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>Bearish neutral</b> at 0.14  Change since last month: →	Most Bearish		Most Bullish	
	Date	26/01/2025	25/01/2024	
	Value	0.16	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>Bearish neutral</b> at 97%  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 31 January 2025. Daily data. ↑ = More bullish. ↓ = More bearish. → = No change.

**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.**



### 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>Neutral</b> at 677  Change since last month: 	Most Bearish		Most Bullish	
	Date	12/01/2025	15/01/2024	
	Value	937	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	29/01/2025	07/01/2024	
	Value	62%	70%	
	Bitcoin return over the next month	--	-2.7%	

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

**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-to-gold ratio

- + Bitcoin-to-gold ratio remains near its all-time high, signalling strong relative performance of bitcoin compared to gold.
- + Investors continue to favour bitcoin over the traditional safe-haven asset, potentially reflecting confidence in its long-term value proposition and store-of-value characteristics.



Source: WisdomTree. 31 January 2025.

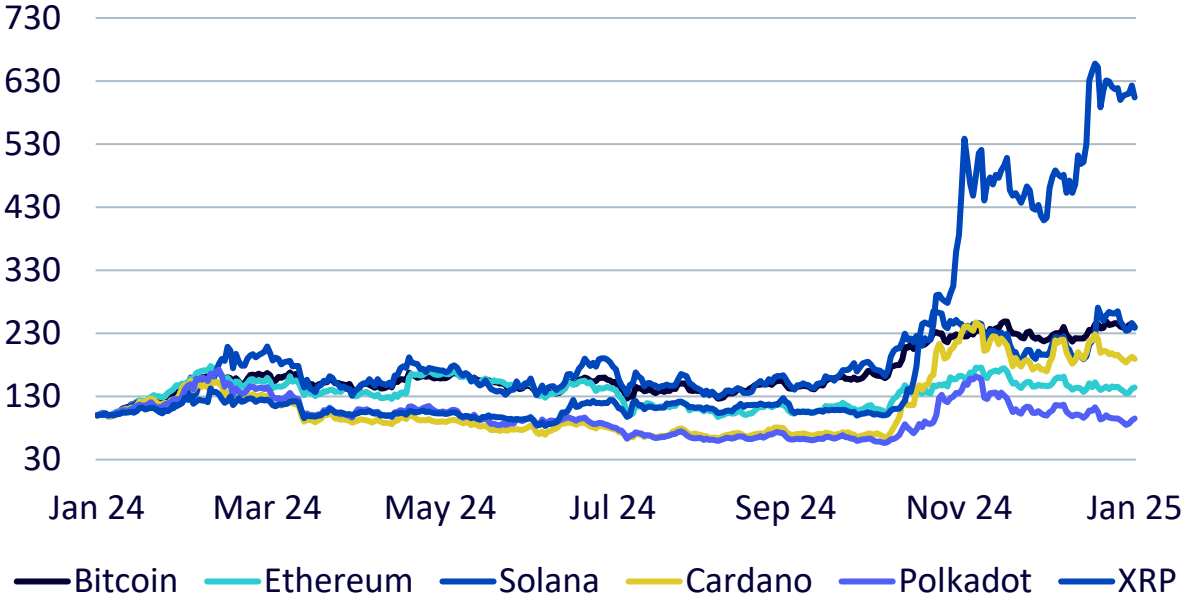
**Historical performance is not an indication of future performance and any investment may go down in value. Cryptocurrencies are a high-risk investment and may not be suitable for all types of investor. Cryptocurrencies can demonstrate higher volatility than other asset classes.**



# 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	2,029	9%	46%	9%	140%	51%
Ethereum	397	-1%	31%	-1%	44%	71%
XRP	175	46%	497%	46%	504%	131%
Solana	113	22%	37%	22%	139%	88%
Cardano	34	12%	176%	12%	89%	121%
Polkadot	10	-5%	60%	-5%	-5%	120%

Source: WisdomTree, Artemis Terminal. 31 January 2025. Volatility is calculated using 90-day daily USD returns and is annualised. YTD = Year to date. 1M = One month. 3M = Three months. 1Y = One year.

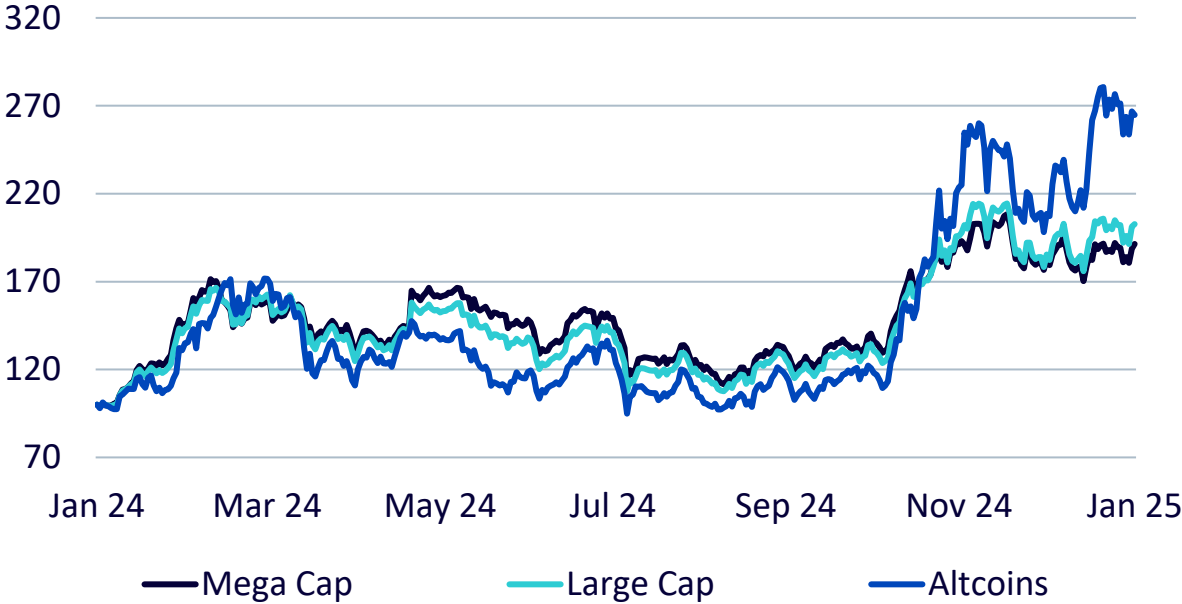
**Historical performance is not an indication of future performance and any investment may go down in value. Cryptocurrencies are a high-risk investment and may not be suitable for all types of investor. Cryptocurrencies can demonstrate higher volatility than other asset classes.**



# Performance: crypto baskets

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

## 1-Year Crypto Basket Performance



	1M	3M	YTD	1Y	Volatility
Mega Cap	5%	41%	5%	91%	51%
Large Cap	9%	55%	9%	103%	58%
Altcoins	27%	124%	27%	165%	94%

Source: WisdomTree. 31 January 2025. Volatility is calculated using 3-month daily USD returns and is annualised. YTD = Year to date. 1M = One month. 3M = Three months. 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.

**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.**

# Correlations

- + XRP exhibits the lowest correlation with other cryptocurrencies, as shown in the table below.
- + 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
Bitcoin	1.00								
Ethereum	0.71	1.00							
Solana	0.64	0.54	1.00						
Cardano	0.55	0.56	0.46	1.00					
Polkadot	0.54	0.66	0.40	0.76	1.00				
XRP	0.35	0.33	0.24	0.59	0.52	1.00			
Mega Cap	0.56	0.63	0.41	0.38	0.44	0.23	1.00		
Large Cap	0.54	0.59	0.43	0.46	0.53	0.31	0.96	1.00	
Altcoins	0.41	0.43	0.41	0.53	0.55	0.45	0.73	0.88	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	0.46	0.75	1.00		
Commodities	0.12	0.42	0.44	0.09	0.19	0.40	1.00	
Gold	0.07	0.18	0.20	0.56	0.48	0.31	0.33	1.00

Source: WisdomTree, Bloomberg. 31 January 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 31 January 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.

**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 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

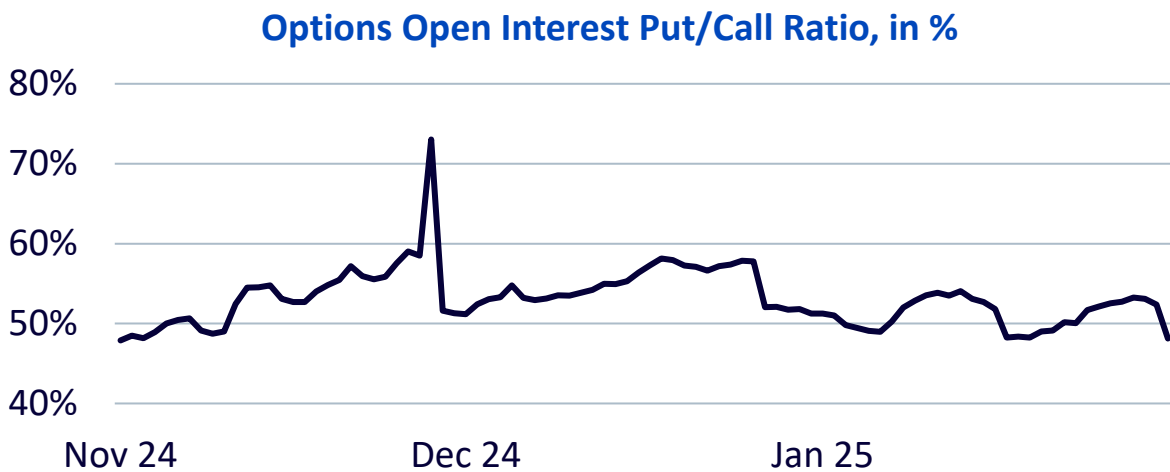
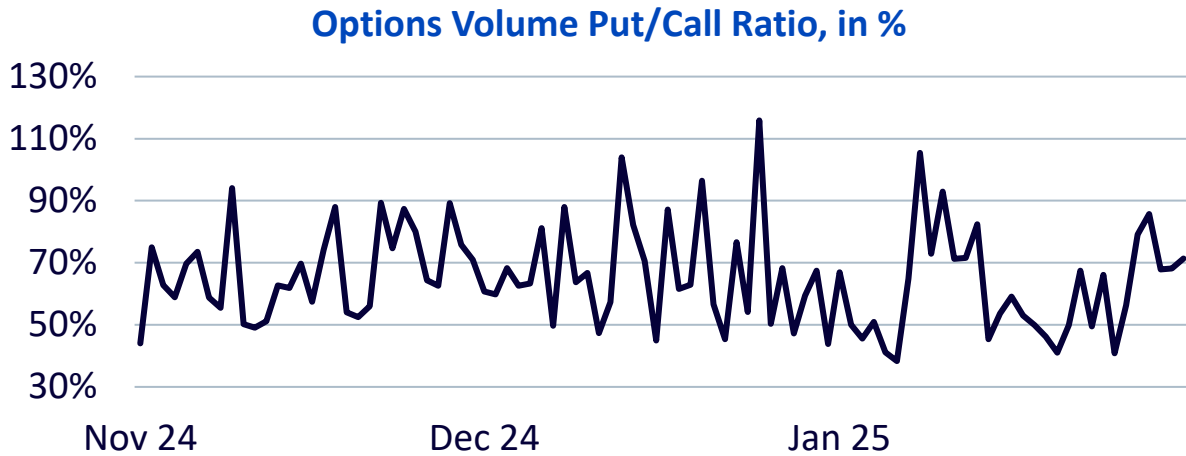
	60/40 Global Portfolio	1% Bitcoin Portfolio	3% Bitcoin Portfolio	5% Bitcoin Portfolio	10% Bitcoin Portfolio	MSCI AC World	Bloomberg Multiverse	Bitcoin
Annualised Return	5.68%	6.36%	7.72%	9.07%	12.41%	9.02%	0.41%	55.85%
Volatility	8.77%	8.84%	9.13%	9.60%	11.40%	13.89%	5.04%	66.98%
Sharpe Ratio	0.46	0.54	0.67	0.78	0.95	0.53	-0.24	0.81
Information Ratio		1.00	1.00	1.00	1.00			
Beta	70%	71%	73%	75%	81%	100%	24%	181%

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

**You cannot invest directly in an index. 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 options

- + A slightly bearish signal as bitcoin’s options volume put/call ratio increased from 44% to 71% over the past three months, while the open interest put/call ratio remained unchanged.



Source: Glassnode. 31 January 2025.

**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.**

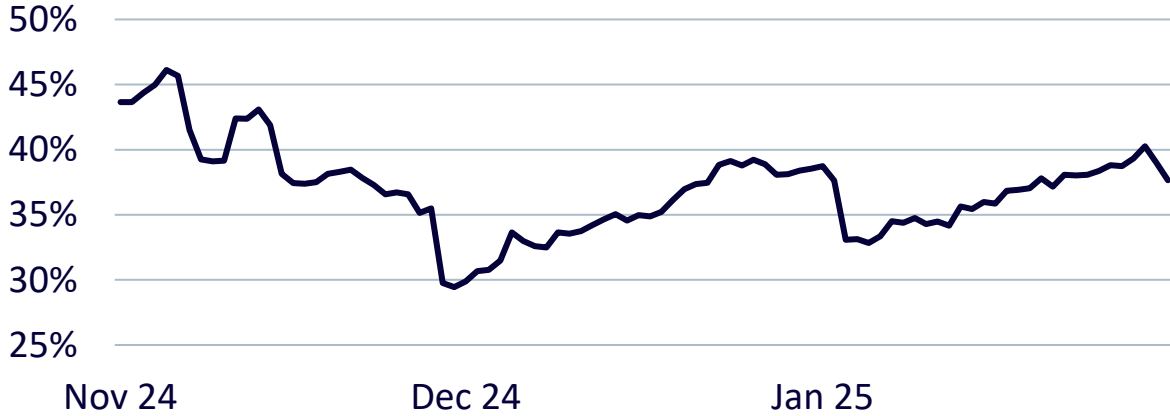
# Ether options

- + A slightly bullish signal as ether’s options volume put/call ratio reduced from 92% to 42% over the past three months, while the open interest put/call ratio remained almost unchanged.

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



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



Source: Glassnode. 31 January 2025.

**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.**

# Disclaimer

## **Important Information**

**Marketing communications issued in the European Economic Area (“EEA”):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

**Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority. WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

**For professional clients only. The information contained in this document is for your general information only and is neither an offer for sale nor a solicitation of an offer to buy securities or shares. This document should not be used as the basis for any investment decision. Investments may go up or down in value and you may lose some or all of the amount invested. Past performance is not necessarily a guide to future performance. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.**

**The application of regulations and tax laws can often lead to a number of different interpretations. Any views or opinions expressed in this communication represent the views of WisdomTree and should not be construed as regulatory, tax or legal advice. WisdomTree makes no warranty or representation as to the accuracy of any of the views or opinions expressed in this communication. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.**

This document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares or securities in the United States or any province or territory thereof. Neither this document nor any copy hereof should be taken, transmitted or distributed (directly or indirectly) into the United States.

Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.

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.