



30 November 2024

WisdomTree Crypto Monthly



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November 2024 Overview

WisdomTree published four crypto blogs in November 2024.

+ [What's Hot: Remarkable month for XRP](#)

November 2024 has proven to be a remarkable month for XRP, with significant price appreciation driven by a brighter regulatory landscape and heightened whale activity. While these factors emphasize XRP's growing status in the cryptocurrency market, investors need to be aware of potential risks, such as unexpected regulatory developments or significant change in macroeconomic conditions.

Published on 29 November 2024.

+ [Why XRP may complement bitcoin in achieving portfolio diversification](#)

XRP is a digital asset native to the XRP Ledger designed to be a faster and more sustainable alternative to bitcoin. It was built in 2012 specifically for payments and relies on the Proof-of-Association consensus mechanism.

As investors start to recognise the potential benefits of adding crypto to their multi-asset portfolios, they also look for ways to diversify their crypto exposures. As an altcoin to bitcoin, XRP could sit alongside it in a portfolio.

Published on 21 November 2024.

+ [Bitcoin: Expectations remain high for the rest of 2024](#)

Year to date, 2024 has been a remarkable year for bitcoin, with record flows and record price highs.

Bitcoin also went through its fourth halving event. While bitcoin price change is lagging what we have seen post earlier halving events, investors should remain patient. This is because the fourth halving event has had the smallest impact on bitcoin supply. If bitcoin price starts going up, it is likely to lift others too.

Published on 19 November 2024.

+ [Bitcoin is a good option for diversifying your portfolio](#)

Bitcoin is a cryptocurrency mega cap name with a significant track record. As bitcoin is not correlated to traditional assets, it can significantly improve a multi-asset portfolio's risk/return profile.

While the Sharpe Ratio increases with an increase in bitcoin allocation within the 60/40 Global Portfolio, a 1% bitcoin allocation is a sensible starting point for most investors as it represents a market-neutral view.

Published on 01 November 2024.

Source: WisdomTree. 30 November 2024. Please click on a title to read the full blog.

Flows and AUM

Crypto ETPs domiciled in Europe

In USDm		AUM	1M Flows	YTD Flows
Bitcoin	Physical	6,335	-206	-549
Bitcoin	Synthetic	3,077	-195	-522
Ethereum	Physical	1,482	45	188
Ethereum	Synthetic	1,205	-49	-177
Solana	Physical	2,104	45	119
Other Single Coin	Physical	1,441	163	365
Crypto Basket	Physical	1,295	23	363
XRP	Physical	617	244	273
Cardano	Physical	158	6	17
Polkadot	Physical	73	5	31
Total		17,785	82	109

Crypto ETFs domiciled in the U.S.

In USDm		AUM	1M Flows	YTD Flows
Bitcoin	Physical	105,278	7,419	30,699
Bitcoin	Synthetic	7,589	4	3,098
Ethereum	Physical	11,040	1,071	575
Ethereum	Synthetic	955	473	807
Total		124,863	8,967	35,179

Crypto ETPs domiciled in Rest of the World

In USDm		AUM	1M Flows	YTD Flows
Bitcoin	Physical	3,785	131	258
Bitcoin	Synthetic	194	51	55
Ethereum	Physical	949	2	-57
Ethereum	Synthetic	64	0	6
Crypto Basket	Physical	769	-48	-12
Total		5,760	137	250

Source: Bloomberg. 30 November 2024. Actively managed crypto ETPs and ETFs are excluded. 1M = One month. YTD = Year to Date. **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: Bearish neutral at 0.12  Change since last month: ↓	Most Bearish		Most Bullish	
	Date	28/11/2024	25/01/2024	
	Value	0.13	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: Bearish at 99%  Change since last month: →	Most Bearish		Most Bullish	
	Date	11/11/2024	22/01/2024	
	Value	100%	80%	
	Bitcoin return over the next month	--	26.9%	

Source: Glassnode, WisdomTree. From 31 December 2023 to 30 November 2024. 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: Bearish Neutral at 832  Change since last month: →	Most Bearish		Most Bullish	
	Date	19/11/2024	15/01/2024	
	Value	897	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: Bearish at 63%  Change since last month: →	Most Bearish		Most Bullish	
	Date	28/11/2024	07/01/2024	
	Value	63%	70%	
	Bitcoin return over the next month	--	-2.7%	

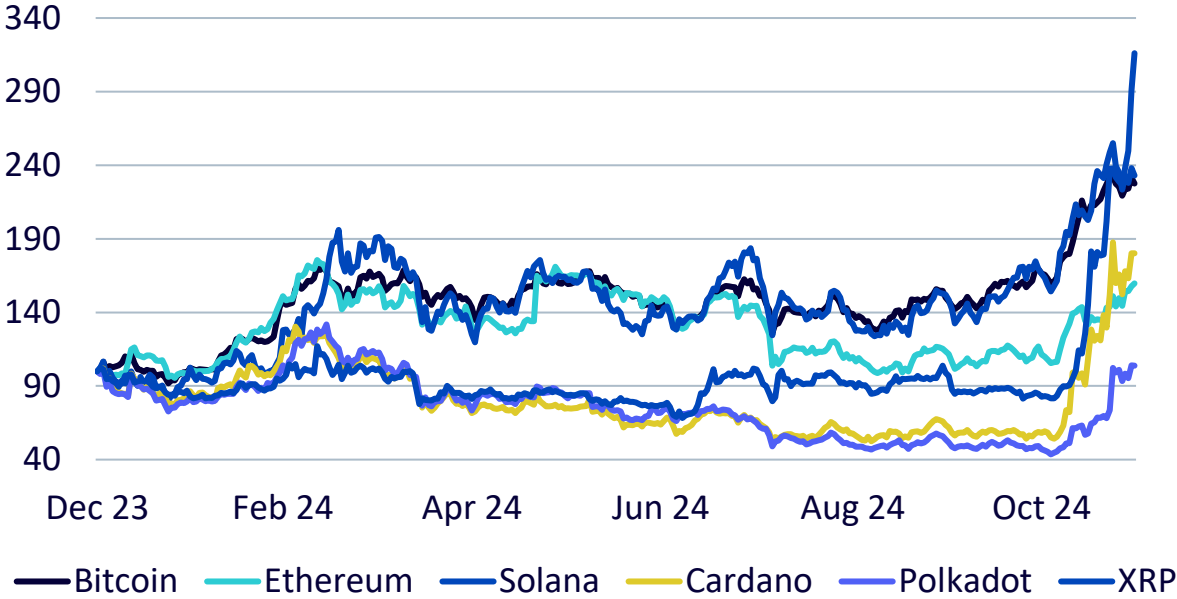
Source: Glassnode, WisdomTree. From 31 December 2023 to 30 November 2024. Daily data. ↑ = More bullish. ↓ = More bearish. → = No change.

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Performance: Single Coins

- + Year to date, XRP is leading performance.
- + Out of crypto large caps, bitcoin continues to have the lowest volatility.

YTD Single Coin Performance



	Market Cap	1M	3M	YTD	1Y	Volatility
Bitcoin	\$1.91tr	37%	64%	128%	157%	43%
Ethereum	\$446bn	43%	46%	60%	81%	55%
Solana	\$113bn	40%	76%	133%	302%	67%
XRP	\$111bn	282%	244%	216%	221%	99%
Cardano	\$38bn	210%	212%	80%	190%	136%
Polkadot	\$14bn	120%	107%	4%	65%	108%

Source: WisdomTree, Messari, Glassnode. 30 November 2024. 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.

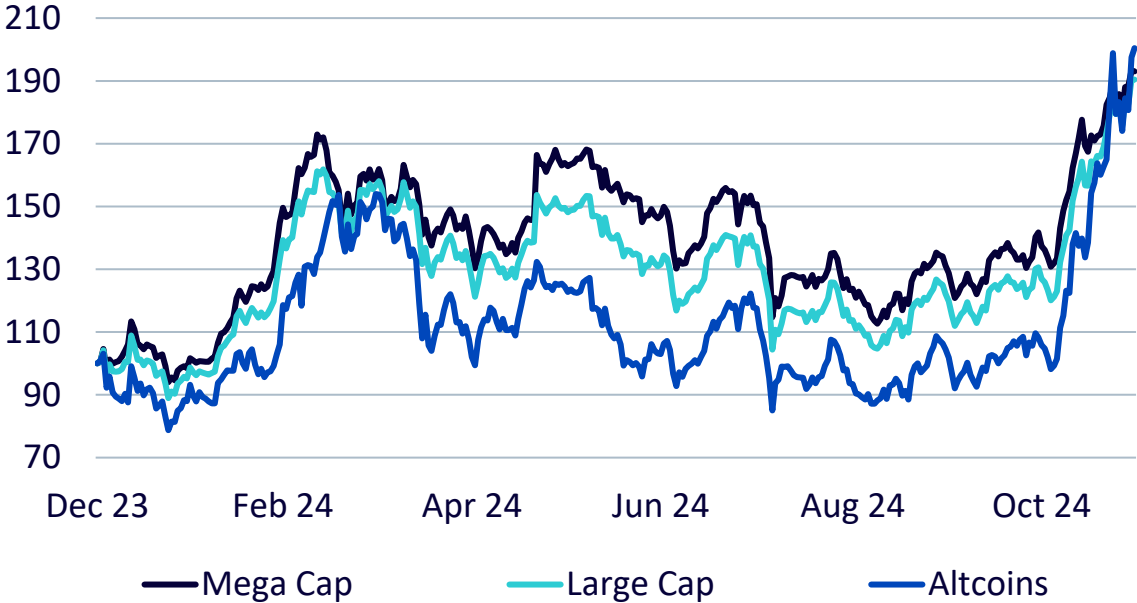
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Performance: Crypto Baskets

- + Year to date, altcoins are leading performance.
- + Altcoins have higher volatility than mega cap or large cap crypto baskets.

YTD Crypto Basket Performance



	1M	3M	YTD	1Y	Volatility
Mega Cap	41%	56%	93%	118%	46%
Large Cap	50%	67%	90%	132%	49%
Altcoins	89%	115%	100%	205%	75%

Source: WisdomTree. 30 November 2024. 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.

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Correlations

- + XRP has the lowest correlations with other cryptos shown in the table below.
- + Correlations between bitcoin and most traditional assets are around or below 20%.

Crypto vs. Crypto

	Bitcoin	Ethereum	Solana	Cardano	Polkadot	XRP	Mega Cap	Large Cap	Altcoins
Bitcoin	1.00								
Ethereum	0.75	1.00							
Solana	0.73	0.68	1.00						
Cardano	0.48	0.54	0.48	1.00					
Polkadot	0.45	0.57	0.47	0.78	1.00				
XRP	0.31	0.28	0.22	0.41	0.26	1.00			
Mega Cap	0.92	0.94	0.75	0.55	0.55	0.32	1.00		
Large Cap	0.90	0.91	0.81	0.69	0.68	0.37	0.97	1.00	
Altcoins	0.71	0.74	0.83	0.84	0.74	0.47	0.78	0.90	1.00

Crypto vs. Traditional Assets

	Bitcoin	Equities	Small Caps	Treasuries	Corporates	High Yield	Commodities	Gold
Bitcoin	1.00							
Equities	0.18	1.00						
Small Caps	0.21	0.95	1.00					
Treasuries	0.09	0.21	0.23	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	0.13	0.43	0.44	0.10	0.19	0.40	1.00	
Gold	0.06	0.18	0.20	0.57	0.49	0.31	0.33	1.00

Source: WisdomTree, Bloomberg. 30 November 2024. Crypto vs. Crypto correlation is calculated using 3-month daily USD returns and is annualised. Crypto vs. Traditional Assets correlation is calculated for 31 December 2013 to 30 November 2024 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.

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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	5.77%	6.46%	7.83%	9.20%	12.57%	9.07%	0.56%	56.24%
Volatility	8.79%	8.86%	9.14%	9.62%	11.42%	13.94%	5.05%	67.28%
Sharpe Ratio	0.48	0.55	0.68	0.79	0.96	0.54	-0.20	0.81
Information Ratio		1.01	1.01	1.01	1.00			
Beta	70%	71%	73%	75%	81%	100%	24%	181%

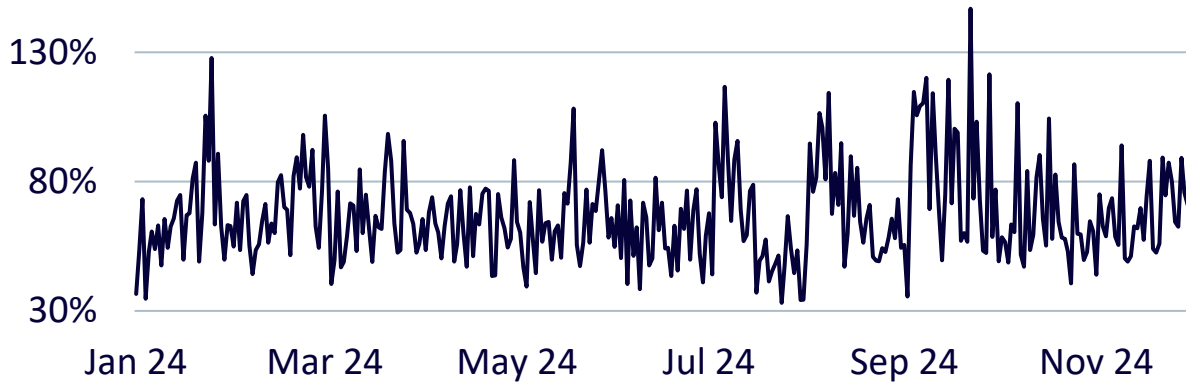
Source: Bloomberg, WisdomTree. From 31 December 2013 to 30 November 2024. In USD. Based on daily returns. The 60/40 Global Portfolio is composed of 60% MSCI All Country World and 40% Bloomberg Multiverse.

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Bitcoin Options

+ Open interest put/call ratio indicates increased bearish sentiment at the end of November.

Options Volume Put/Call Ratio, in %



Options Open Interest Put/Call Ratio, in %

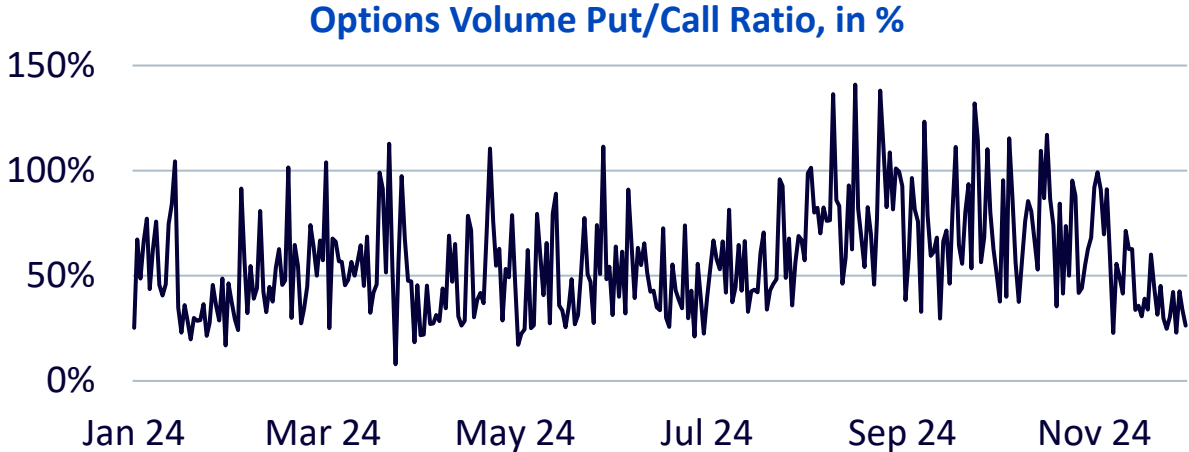


Source: Glassnode. 30 November 2024.

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Ether Options

+ Open interest put/call ratio indicates increased bullish sentiment at the end of November.



Source: Glassnode. 30 November 2024.

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