

MONTHLY MARKET INSIGHTS

OCTOBER 2025

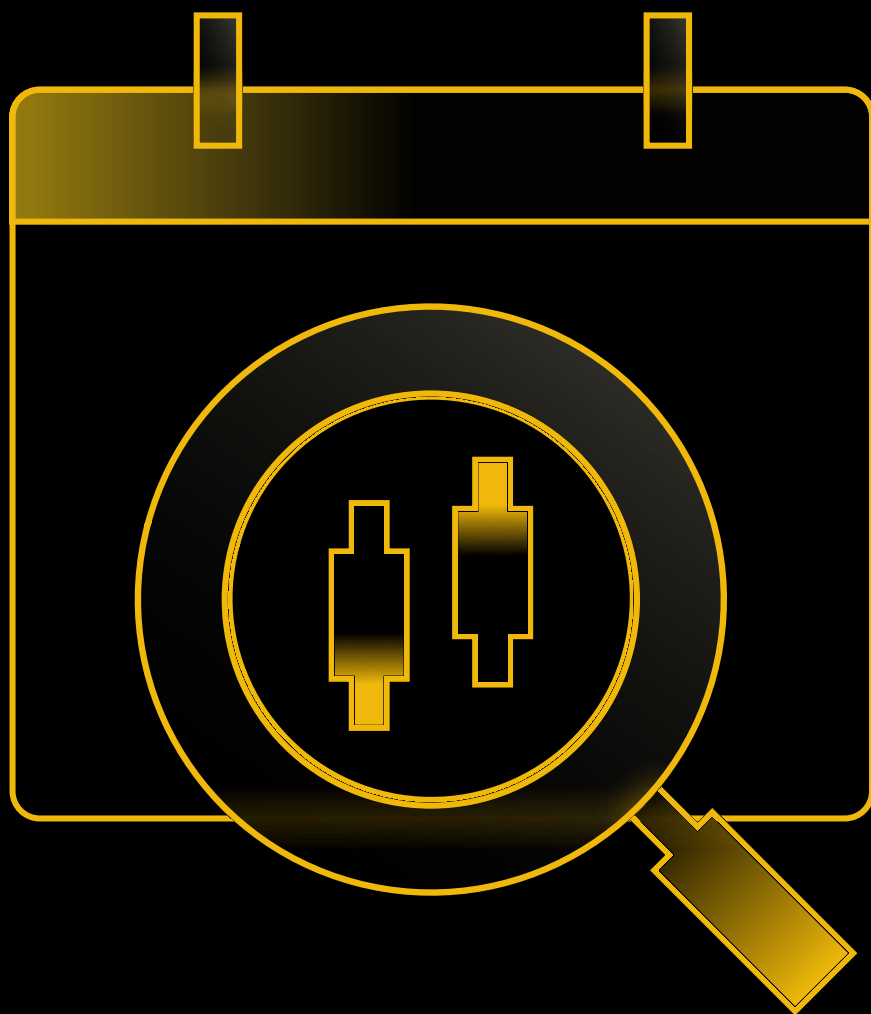


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01 / Key Takeaways

- In September, the cryptocurrency market capitalization grew by 4.3%, supported by the Federal Reserve's interest rate cut after almost a year-long pause, which encouraged risk-taking in assets like crypto. Bitcoin's market dominance increased to 58.1%, while Ethereum's share dropped to 13.0% amid a price decline below US\$4,000. Bitcoin spot ETFs saw significant inflows totaling US\$2.56B, contrasting with US\$389M outflows from Ethereum ETFs as capital rotated back towards Bitcoin.
- This month, the market experienced an interesting inflection point – significant gains ahead of the FOMC meeting on September 17, followed by a substantial retracement of most of those gains post-meeting. Market interest rate expectations shifted hawkish after the meeting, with short and medium-term rate forecasts rising in line with the Fed's guidance. This dynamic explains the typical “sell the news” reaction observed in the crypto market. However, despite investors' reluctant acceptance of the Fed's hawkish stance, skepticism about its persistence remains, with long-term pricing reflecting concerns over inflation risks and structural economic shifts.
- More than 90 crypto ETP applications are currently in the U.S. pipeline for potential approval by year-end. This has been further reinforced by the SEC's recently adopted standardized listing framework, which shortened the approval timeline from 240 days to 75 – allowing issuers to bring products to market more efficiently. High-profile launches such as the REX-Osprey XRP and Dogecoin ETFs have already demonstrated strong initial demand, underscoring growing investor interest. If sustained, the next wave of approvals could mark a step-change in liquidity, regulated access, and the integration of altcoins with established financial markets.
- Kalshi has overtaken Polymarket as the leading platform, with weekly notional volume surpassing US\$850M. This shift comes alongside prediction markets as a whole recording their highest volumes since the start of the year. Broader distribution, new product categories, and a more favorable regulatory backdrop are now shaping the sector's next phase of growth.
- Decentralized perpetual exchanges have experienced rapid growth with daily volumes exceeding US\$65–70 billion and the DEX-to-CEX volume ratio reaching a record 18% in September. Aster leads this trend, currently accounting for over half of daily on-chain perpetual activity – largely driven by incentive programs, liquidity innovations, and increased market participation. This momentum marks a structural shift positioning decentralized perpetuals as a core venue for crypto derivatives trading.

02 / Crypto Market Performance

In September, total cryptocurrency market capitalization rose 4.3%. A key driver was the Federal Reserve's first rate cut in nearly a year, which supported risk assets by lowering the opportunity cost of holding cash and encouraging investors to rotate into higher-yield alternatives such as crypto.

Bitcoin's market dominance climbed to 58.1%, while Ethereum's share fell to 13.0% as it pulled back below US\$4,000. ETF flows reflected this divergence: Bitcoin spot ETFs saw US\$2.56B of net inflows in September, while Ethereum recorded US\$389M of outflows as capital shifted back toward Bitcoin. The move was driven by volatility around the Fed's decision, which funneled flows into the crypto market's most liquid asset as investors recalibrated rate expectations.

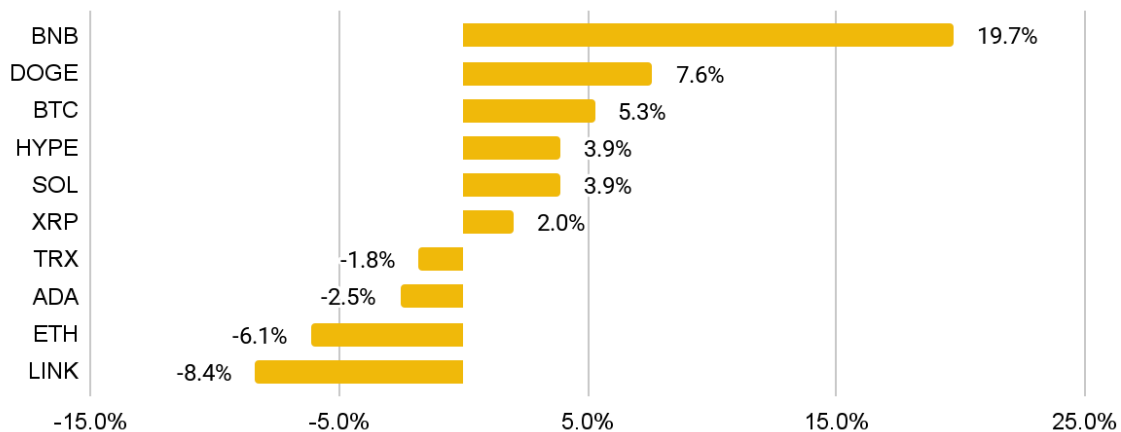
Looking ahead, October has historically been a favorable month for digital assets, though uncertainty around a U.S. government shutdown could pose near-term headwinds.

Figure 1: Monthly crypto market capitalization increased by 4.3% in September

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|-------|-------|------|-------|-------|-------|------|-------|------|------|-------|-------|
| 2025 | 4.3 | -20.2 | -4.4 | 10.8 | 10.3 | 2.6 | 13.3 | -1.7 | 4.3 | | | |
| 2024 | 0.4 | 40.0 | 16.3 | -11.3 | 8.6 | -11.4 | 5.6 | -12.4 | 8.0 | 2.8 | 39.9 | -4.5 |
| 2023 | 30.4 | 3.4 | 9.3 | 3.2 | -6.0 | 3.3 | 1.0 | -8.8 | 2.6 | 19.0 | 11.0 | 15.2 |
| 2022 | -22.6 | -0.3 | 25.3 | -18.1 | -25.2 | -31.7 | 21.8 | -11.4 | -2.1 | 7.2 | -18.0 | -4.5 |
| 2021 | 33.9 | 39.6 | 31.1 | 11.4 | -25.7 | -5.9 | 12.5 | 25.2 | -9.9 | 42.9 | -1.0 | -15.0 |

Source: CoinGecko
As of September 30, 2025

Figure 2: Monthly price performance of the top 10 coins by market capitalization



Source: CoinMarketCap
As of September 30, 2025

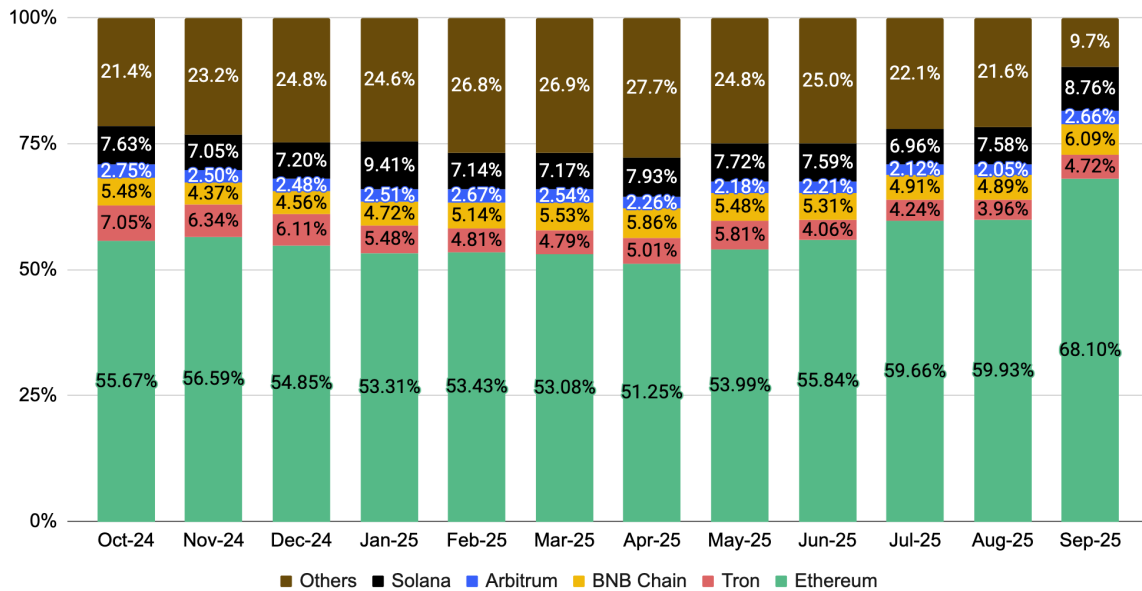
In descending order of performance:

- ◆ BNB gained 19.7% in September, supported by strong ecosystem growth and rising interest from treasury companies. In particular, BNB Chain saw a notable rise in on-chain activity, driven by ultra-low transaction fees and record-high trading volumes following the launch of Aster DEX. A key development was Franklin Templeton, one of the world's largest investment managers, extending its Benji Investments platform to BNB Chain.
- ◆ DOGE rose 7.6%, with price action likely influenced by the approval of the REX-Osprey DOGE ETF – a historic milestone for meme coins, giving traditional investors regulated exposure to Dogecoin.
- ◆ Bitcoin gained 5.3% as capital rotated back into BTC, reflecting investor positioning during macro volatility as markets recalibrated expectations around the U.S. Fed rate cuts.
- ◆ HYPE climbed 3.9%, supported by broader momentum in perpetual DEX activity. The launch of Hyperliquid's native USD stablecoin, USDH, further captured attention as it aims to enhance the network's utility.
- ◆ SOL rose 3.9%, aided by continued accumulation from corporate treasuries. However, gains were tempered by declining network activity and softer trader engagement.
- ◆ XRP added 2.0%, driven by growing DeFi adoption and ongoing collaborations with global banks to integrate its liquidity.
- ◆ TRX slipped 1.8% in September, while ADA fell 2.5% as investor interest waned amid intensifying competition from rival ecosystems.

- ◆ ETH dropped 6.1%, weighed down by softer retail participation, despite signs of continued institutional accumulation.
- ◆ LINK declined 8.4%, retracing gains from August's strong performance as prices normalized.

2.1 Decentralized Finance (DeFi)

Figure 3: TVL share of top blockchains



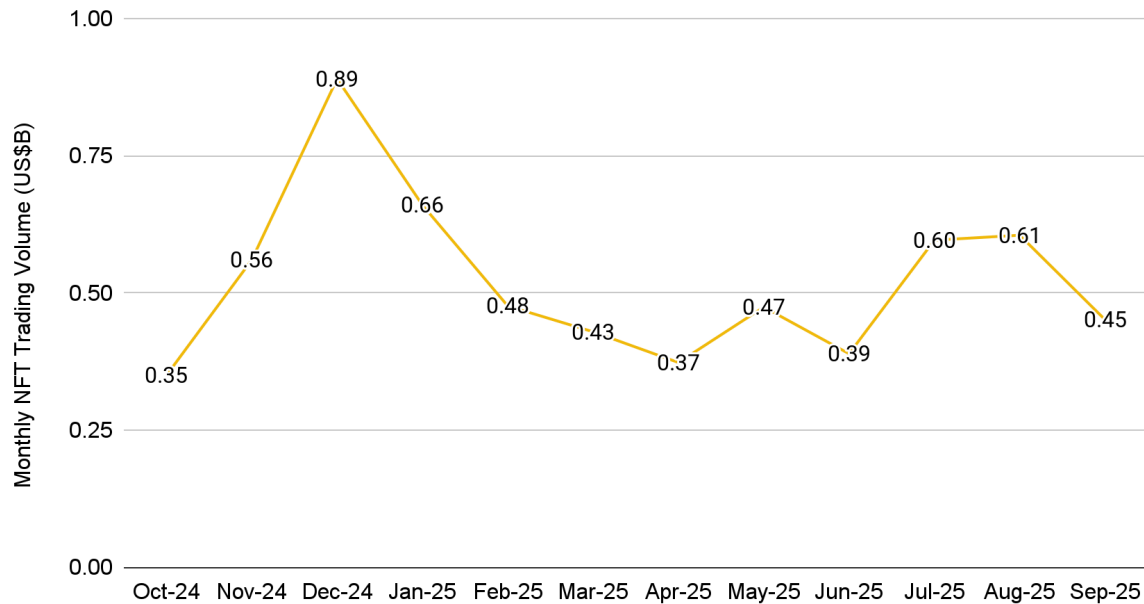
Source: DeFiLlama
As of September 30, 2025

In September 2025, DeFi Total Value Locked (TVL) rose by 3.0% month-on-month (MoM), reflecting increased activity across the sector. Growth was supported by strong launches in perpetual DEXes and stablecoin projects, which helped drive greater user participation. Among the top five DeFi ecosystems, all chains gained market share, with Ethereum seeing the largest increase.

Stablecoin activity also expanded during the month, contributing to broader on-chain growth. The stablecoin market capitalization grew by 4.62%, extending its momentum. USDC's market cap experienced modest growth, while USDT continued to outpace USDC, strengthening its dominance in the stablecoin market. At the same time, USDe sustained its strong growth trajectory, adding to circulating supply at a faster pace than both USDT and USDC. Emerging infrastructure projects, such as the Plasma Network, have further contributed to the broader industry adoption of stablecoins.

2.2 Non-Fungible Tokens (NFTs)

Figure 4: Monthly NFT trading volume



Source: CryptoSlam
As of September 30, 2025

In September 2025, the NFT market saw total sales volume decline by 25.5%, reversing some of the strong momentum built in previous months.

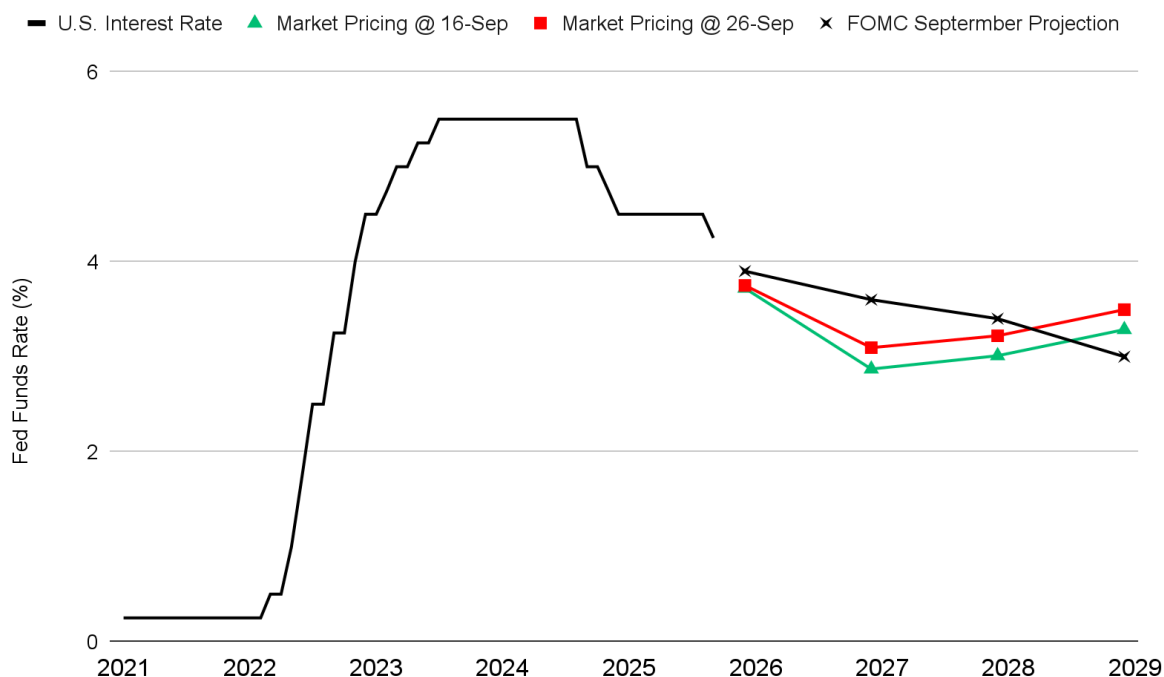
Ethereum-based NFTs maintained their lead but recorded a steep 54.8% drop in monthly sales. Other chains fared worse, with Polygon and BNB Chain posting declines of 54.6% and 72%, respectively. Among the top 20 NFT collections, Courtyard on Polygon ranked first, while DMarket by Mythos surged into second place. Hypurr NFT also drew attention after early users received an airdrop, with its floor price reaching around US\$50,000.

Overall, NFT activity cooled after two relatively stronger months, highlighting the sector's struggle to sustain growth as investor focus shifted toward other market opportunities.

03 / Charts of the Month

Hawkish Shift in Rate Cut Expectations

Figure 5: Markets are recalibrating rate expectations following the September cut



Source: CME, Binance Research
As of September 30, 2025

Following the September 17 meeting, the terminal rate path shifted higher, partly because the market had **previously priced in overly dovish easing**. With the Fed's stance now clearer, expectations realigned closer to the Fed's official guidance. This explains the sharp reversal in the dollar, crypto markets, and bonds after the FOMC – a classic sell-the-news reaction.

Futures market-implied data shows:

1. **Short-term expectations (2026) revised upward:** After the September 17 cut, markets raised the 2026 policy rate path to align more closely with the FOMC's September SEP median forecast. This reflects a view that while easing has begun, the pace and magnitude will be slower than previously expected.
2. **Mid-term outlook (2027-28) remains divided:** Pricing as of September 26 is more hawkish than on September 16, yet 2027 expectations still lag the FOMC's SEP projection. This suggests investors are leaving room for faster easing if growth

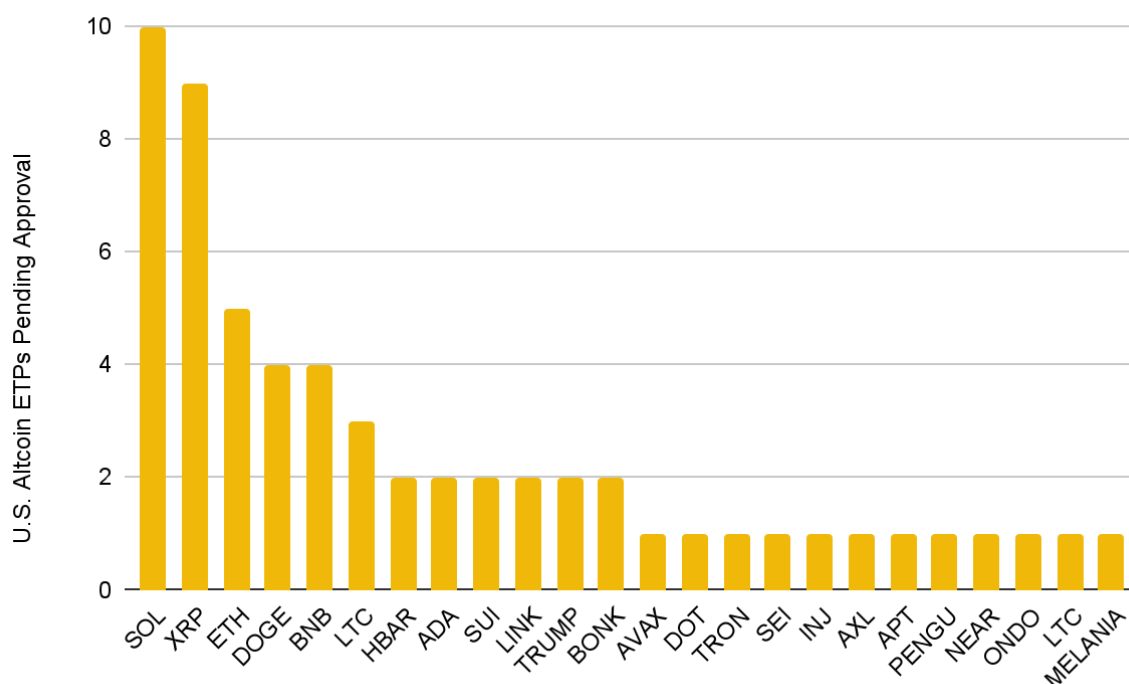
weakens, unemployment rises, or inflation moderates.

3. **Long-term expectations (2028+) show a reversal:** Market-implied rates for 2028 and beyond exceed the Fed's long-run projection, signaling concerns about a higher inflation baseline or an upward shift in the neutral rate (r^*). Investors appear to anticipate rates settling above the Fed's "long-term neutral" level.

In summary, while short-term rate expectations have moved higher in response to the Fed's hawkish tone, the market remains skeptical about the Fed's ability to maintain this policy path. More intriguingly, even if future cuts occur, the terminal rate may settle at a "new normal" higher than the Fed's current projections, reflecting concerns over long-term inflation risks and structural economic changes.

Spotlight on Altcoin ETF Approvals

Figure 6: Over 90 crypto ETPs are awaiting approval in the U.S. by year-end



Source: Bloomberg Intelligence, Binance Research
As of September 30, 2025

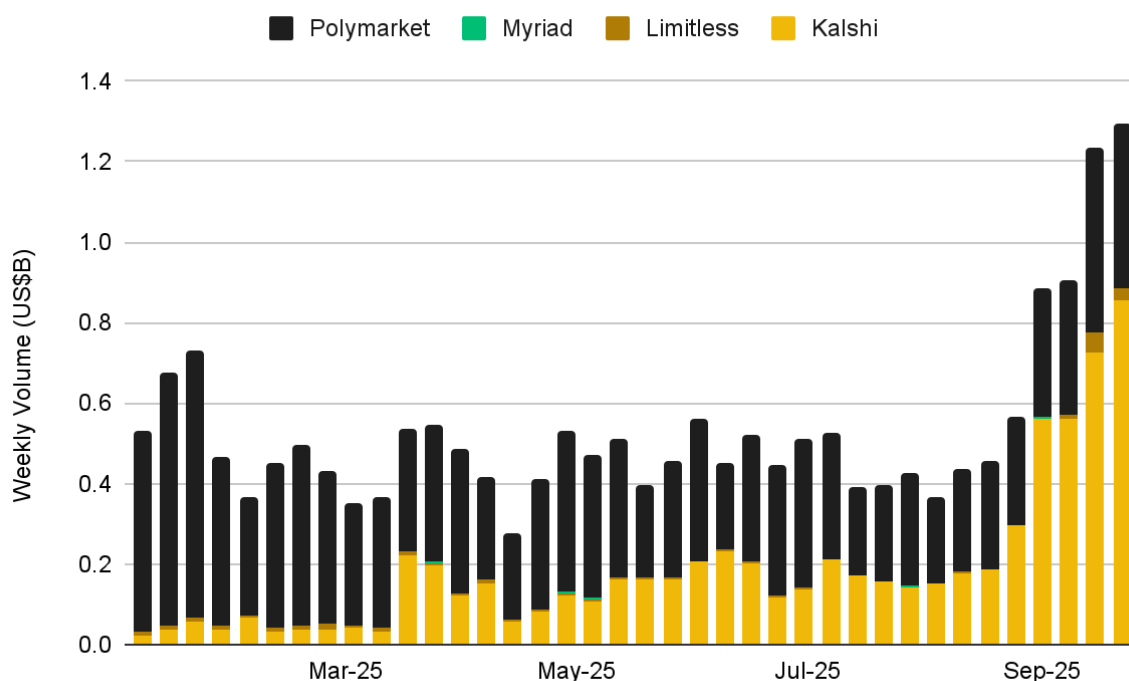
More than 90 crypto ETPs are expected to receive approval in the U.S. by year-end, according to Bloomberg analyst Eric Balchunas. At the forefront of this pipeline are Solana and XRP, with 10 and 9 pending filings, respectively. This momentum has been reinforced by the SEC's recently adopted standardized listing framework for cryptocurrencies, which cut the approval timeline from up to 240 days to as little as 75. The new structure allows qualifying ETF issuers to obtain approvals more efficiently than under the previous system.

Signs of demand are already visible in trading activity. Earlier this month, the REX-Osprey XRP ETF debuted on Cboe with US\$37.7M in volume – the highest first-day trading volume for any ETF this year. Similarly, the REX-Osprey Dogecoin ETF attracted US\$17M on its first day, ranking among the top five ETF launches in 2025.

With a growing queue of altcoin ETPs set to enter the market, demand from both institutional and retail investors is likely to accelerate. These listings are poised to expand regulated access to digital assets, deepen liquidity, and further blur the lines between traditional finance and crypto. The key question, however, is whether this wave of approvals will generate sustained flows beyond launch hype — a challenge even Bitcoin and Ethereum ETFs initially faced.

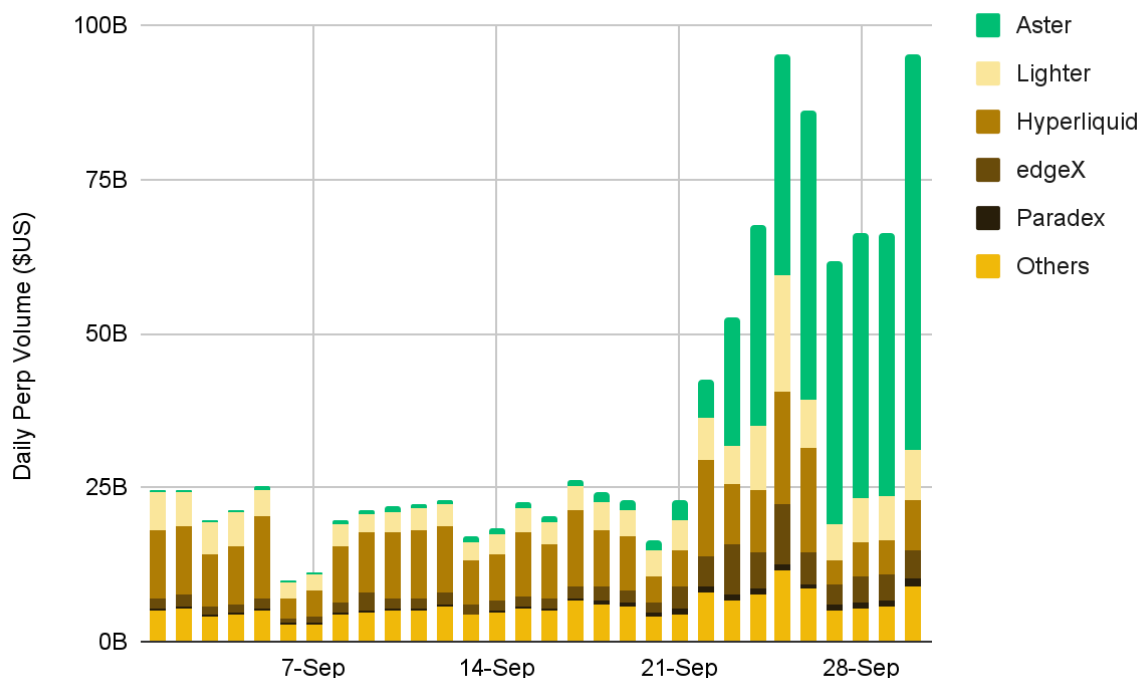
Market Dynamics Shift in Prediction Market Volumes

Figure 7: Kalshi overtook Polymarket in weekly notional volume this month, as overall prediction market activity also reached its highest level since the start of the year



Perpetual DEX Volumes Skyrocket

Figure 8: Perp DEX activity skyrockets, with Aster currently leading the pack at US\$43B in daily volumes



Source: DeFiLlama, Binance Research
As of September 30, 2025

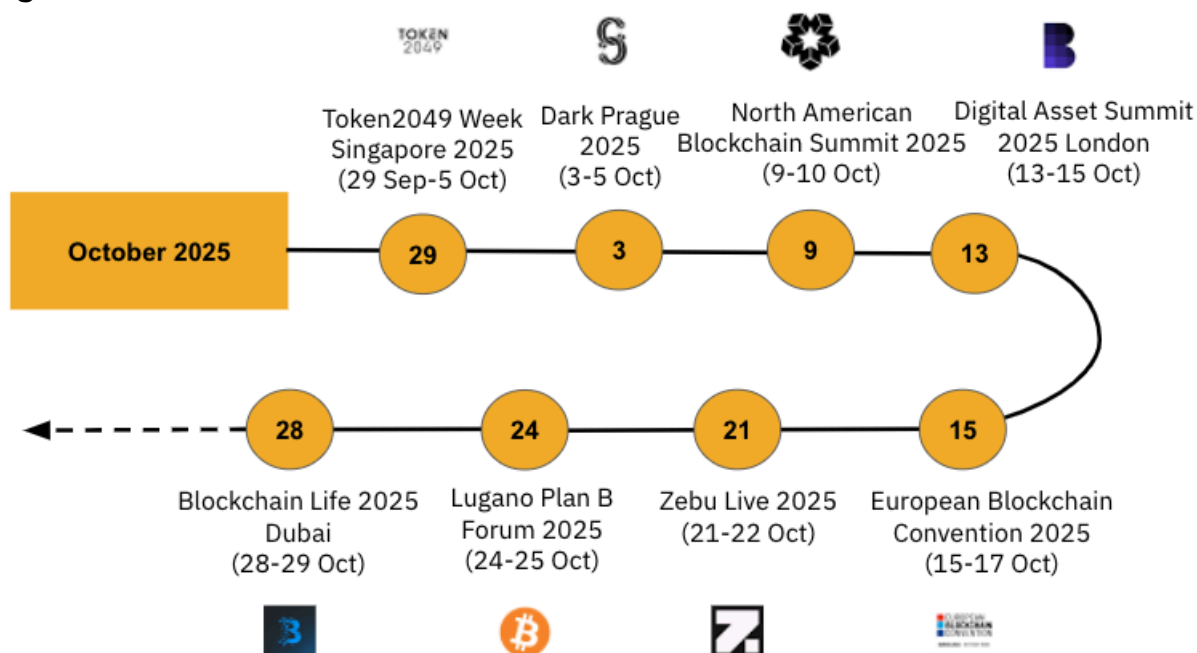
Decentralized **perpetual exchanges have entered a breakout phase**, with aggregate daily volumes recently **exceeding US\$65–70 billion**. In September, the DEX-to-CEX perpetual futures trading volume ratio reached **a record high of approximately 18%**. Leading this surge, Aster recorded up to US\$43 billion in 24-hour turnover, consistently accounting for over half of on-chain perpetual activity.

This growth has been driven by aggressive **incentive programs**, liquidity innovations such as **hidden orders**, and increased participation from both market makers and retail traders. Rising open interest alongside volumes indicates that activity is becoming more capital-committed rather than transient. Nonetheless, the sustainability of such incentive-driven growth remains to be seen, particularly as competition intensifies, incentives taper, and the focus shifts toward whether volumes can translate into lasting liquidity and protocol revenue.

On-chain platforms like Hyperliquid and Aster underscore a structural shift: perpetual DEXs are **rapidly narrowing the gap** with centralized venues and **achieving genuine product-market fit**. If this momentum continues, decentralized perpetuals are poised to become a core venue for global derivatives trading rather than a peripheral alternative.

04 / Upcoming Events and Token Unlocks

Figure 9: Notable Events in October 2025



Source: Cryptoevents, Binance Research

Figure 10: Largest token unlocks in US\$ term

| PROJECT | TOKEN | UNLOCK IN US\$ EQUIVALENT | % OF SUPPLY | UNLOCK DATE |
|---------|-------|---------------------------|-------------|-------------|
| | ASTER | 674M | 4.00% | 5 October |
| | SUI | 185M | 0.57% | 1 October |
| | ENA | 100M | 1.15% | 5 October |
| | FTN | 90M | 2.00% | 20 October |
| | ATH | 76M | 3.03% | 12 October |
| | DEEP | 67M | 6.17% | 14 October |
| | EIGEN | 63M | 2.10% | 1 October |
| | ZORA | 60M | 10.00% | 23 October |
| | ZRO | 50M | 2.47% | 20 October |
| | APT | 47M | 0.96% | 12 October |

Source: CryptoRank, Binance Research

05 / References

defillama.com/
coinmarketcap.com/
cryptoslam.io/
token.unlocks.app/
dune.com/
itez.com/events
cryptorank.io/

06 / New Binance Research Reports

Navigating Crypto: Industry Map [Link](#)

An overview of different verticals in crypto



Monthly Market Insights - September 2025 [Link](#)

A summary of the most important market developments, interesting charts and upcoming events



About Binance Research

Binance Research is the research arm of Binance, the world's leading cryptocurrency exchange. The team is committed to delivering objective, independent, and comprehensive analysis and aims to be the thought leader in the crypto space. Our analysts publish insightful thought pieces regularly on topics related but not limited to, the crypto ecosystem, blockchain technologies, and the latest market themes.



Moulik Nagesh

Macro Researcher

Moulik is a Macro Researcher at Binance and has been involved in the cryptocurrency space since 2017. Prior to joining Binance, he held cross-functional roles at Web3 and Silicon Valley-based tech companies. With a background in co-founding startups and a BSc in Economics from the London School of Economics and Political Science (LSE), Moulik brings a well-rounded perspective to the industry.



Joshua Wong

Macro Researcher

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Michael JJ

Macro Researcher

Michael is a macro researcher at Binance. Prior to this, he worked as an economist at a U.S. private wealth management firm, focusing on cross-asset allocation. He also served as editor-in-chief at a media company, overseeing cryptocurrency reporting and educational content. Earlier in his career, he was a consultant at Ernst & Young and a crude oil trader at an energy firm.



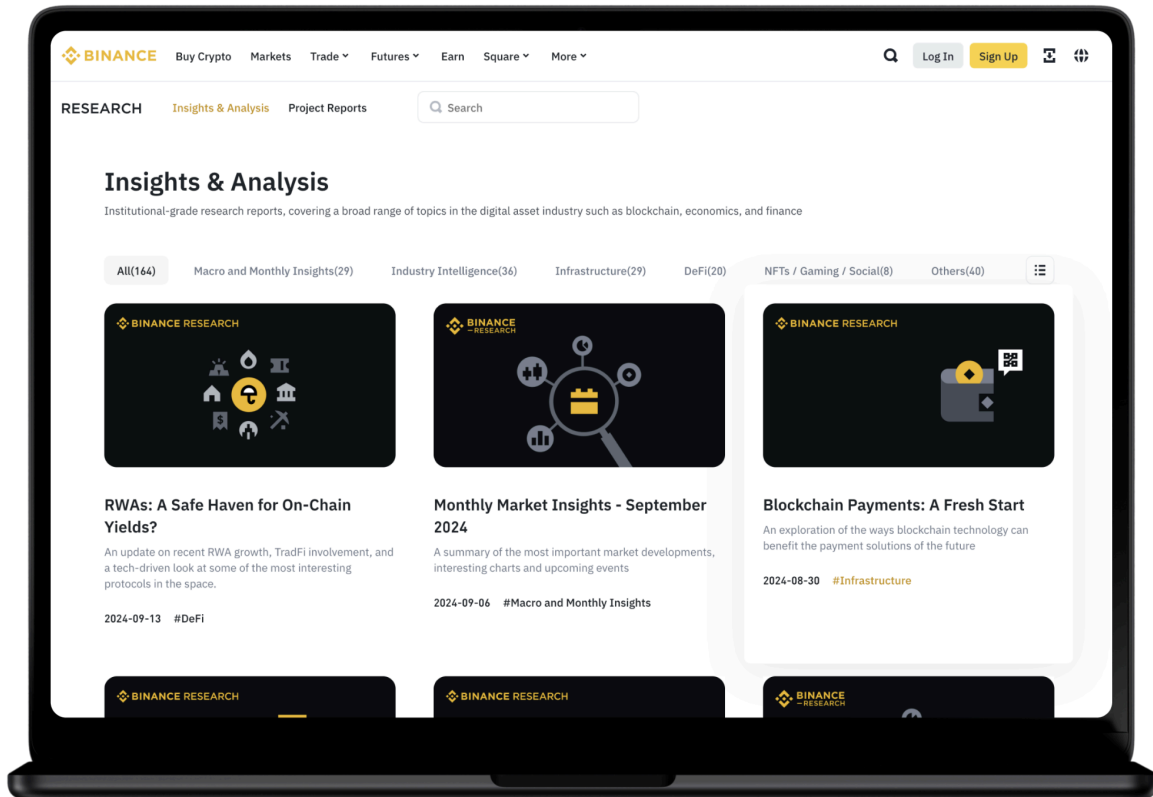
Asher Lin Jiayong

Macro Research Intern

Asher is currently a Macro Research Analyst Intern at Binance. Prior to this, he worked at a token management platform in New York and as a data analyst in a Swedish AI startup. He holds a Bachelor of Science in Business Analytics from the National University of Singapore and has been involved in the cryptocurrency space since 2018.

Resources

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