

MONTHLY MARKET INSIGHTS

NOVEMBER 2025

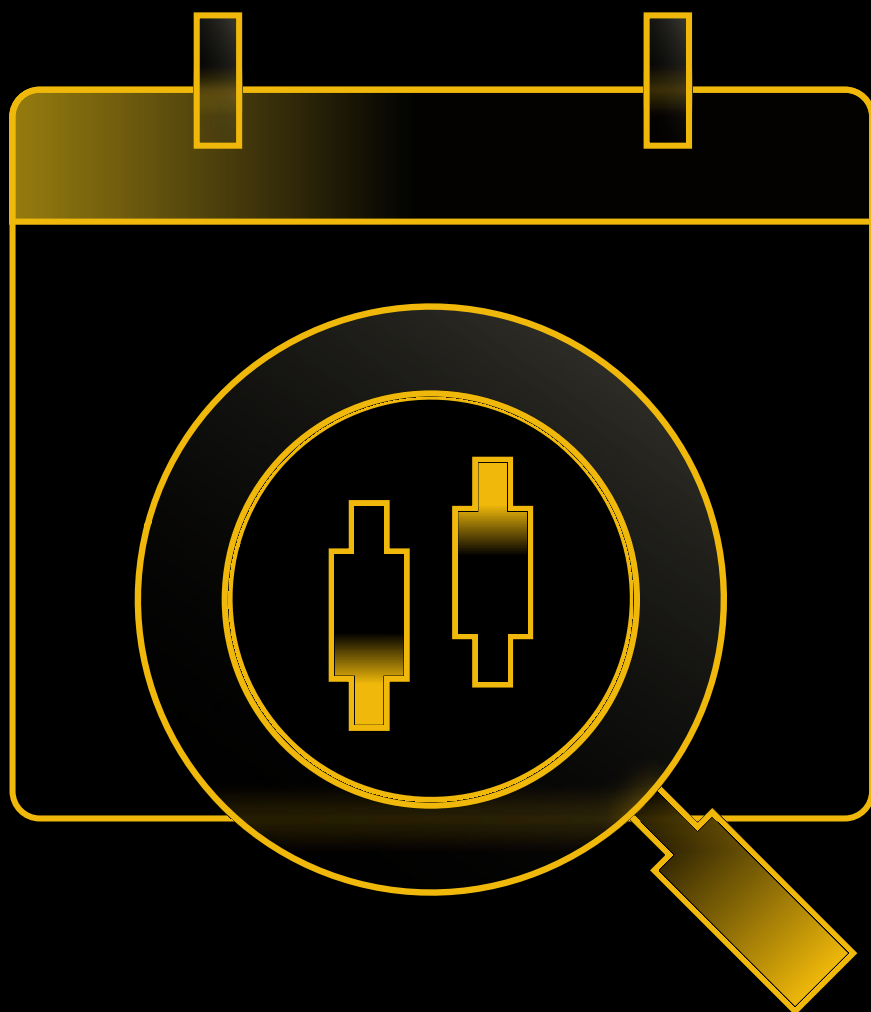


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01 / Key Takeaways

- In October, the cryptocurrency market experienced a 6.1% decline, marking its first red October since 2018, driven by a major market correction and a historic US\$19 billion liquidation. Amidst heightened uncertainty from the U.S. government shutdown, the Federal Reserve cut interest rates by 25 basis points but signaled caution on further cuts. Bitcoin's dominance rose to 59.4%, and institutional interest in Ethereum remained strong. New altcoin ETFs, notably Bitwise's Solana Staking ETF, saw significant inflows. Looking ahead, easing U.S.-China trade tensions and the Fed ending quantitative tightening in December could provide positive market catalysts.
- Despite the sharp correction on October 10–11, leverage quickly rebounded by over 10% to 5.77% by October 31, indicating strong sentiment and no sustained loss of market confidence. Meanwhile, BTC volatility spiked to a rare 16% intraday peak, but the implied volatility indicator remained well below its March high, showing that professional investors did not experience broad fear during the October sell-off.
- x402, an open payment protocol reactivating the HTTP 402 code, saw strong uptake in October, with daily transactions exceeding 720K. Growth was initially driven by one-click 'HTTP mints' and reinforced by integrations from Google and Cloudflare. Two narratives now define the ecosystem: the speculative, fueled by memecoin-led mints drawing attention, and the structural, as AI agents adopt x402 for autonomous payments across compute, data, and API services. Market sentiment remains optimistic, though sustained growth will depend on the ecosystem maturing beyond the speculative phase.
- In October, privacy coins saw a significant surge, with transactions across the top three privacy-focused blockchains rising over 30%. Zcash led this growth, with daily transactions increasing 160% and reaching new market cap highs, surpassing Monero. As demand for privacy intensifies, major blockchains like Ethereum are integrating privacy features, balancing confidentiality with regulatory compliance. Advances in zero-knowledge technology and adoption by decentralized apps highlight growing market interest and positive momentum for privacy-focused solutions in the crypto ecosystem.
- An AI model crypto trading competition has attracted significant attention this month. The experiment revealed diverse trading behaviors and demonstrated that success relies more on disciplined risk management than on prediction accuracy. Major losses were primarily caused by overtrading and misuse of leverage, highlighting the risks associated with AI's opaque decision-making in fast-moving markets. This test serves as an important early benchmark and a cautionary example for AI-driven trading projects.

02 / Crypto Market Performance

In October, total cryptocurrency market capitalization fell by 6.1%, marking its first red October since 2018. This follows a significant correction in the crypto markets driven by the flushing of excessive leverage in the markets, which led to a historic liquidation of over US\$19B on October 10. The U.S. government shutdown, which commenced at the beginning of the month, is still ongoing, leading to limited visibility into critical economic data and more uncertainty for investors. The Fed also initiated a 25 basis point rate cut in October as expected with Powell raising doubts regarding another cut by the end of the year. On the other hand, Bank of Japan held their rates steady, signalling that inflation is kept in check with economic growth.

Bitcoin's market dominance climbed to 59.4%, while Ethereum's share fell slightly to 12.6% as markets flock back to safety. Ethereum treasury companies recorded a milestone of accumulating 5% of the total Ethereum supply in October, marking consistent institutional demand for the yield generating asset. Towards the end of the month, several new altcoin ETFs were launched, with Bitwise's Solana Staking ETF standing out by recording huge first-day volume and inflows, marking a strong debut.

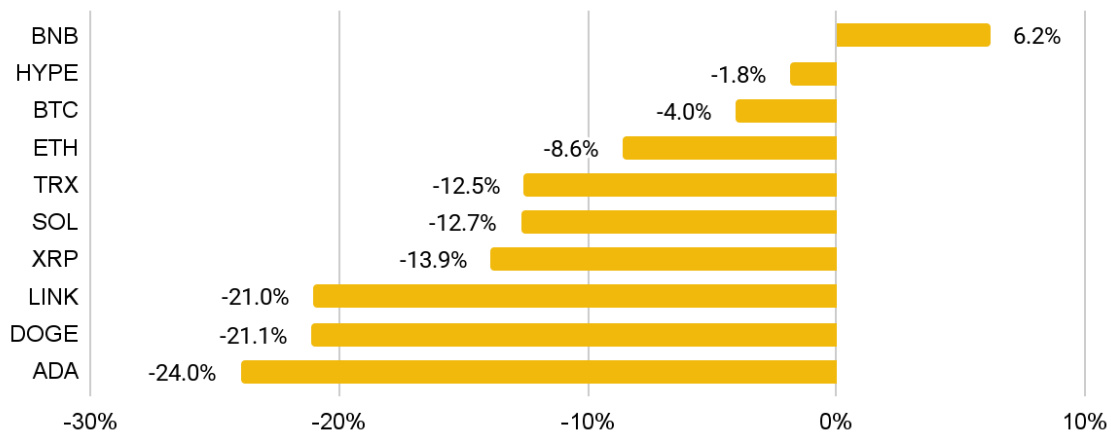
Looking ahead, November could see some positive catalysts as the market prices in the Fed ending quantitative tightening in December. On the tariff front, the U.S. and China finalized a new trade deal in which China agreed to suspend additional controls on rare earth metals and increase purchases of U.S. soybeans. In return, the U.S. paused reciprocal tariffs and lowered certain existing tariffs. This agreement marks a positive step toward easing trade tensions between the two countries.

Figure 1: Monthly crypto market capitalization decreased by 6.1% in October

	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	-6.1		
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 October 31, 2025

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



Source: CoinMarketCap
As of October 31, 2025

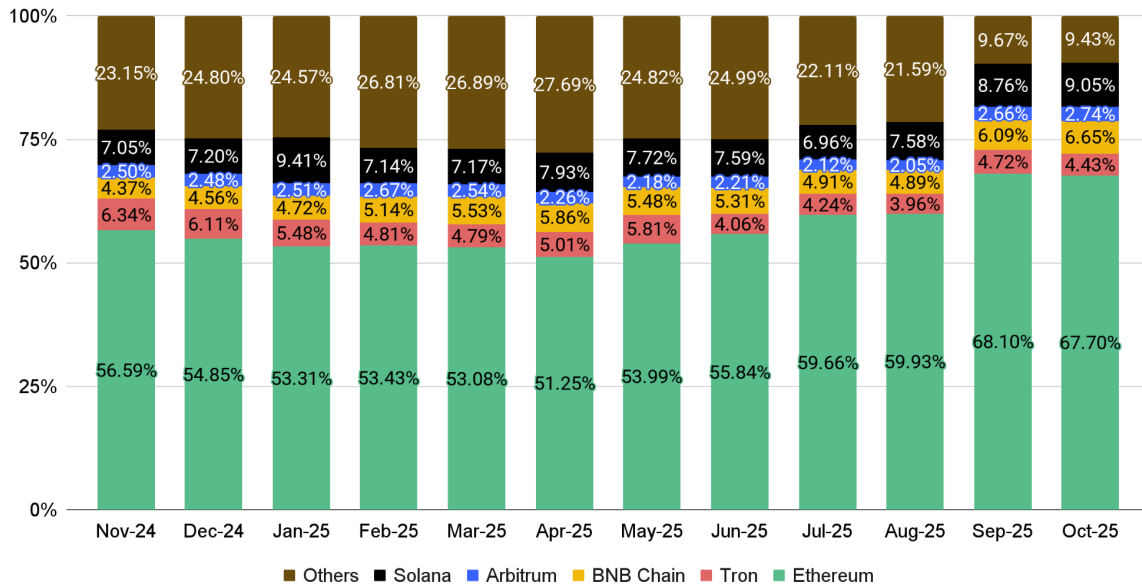
In descending order of performance:

- ◆ In October, BNB saw significant volatility, reaching a new all-time high before correcting with the broader market, yet still posting a 6.2% gain. This growth was driven by strong ecosystem developments, including the launch of prediction markets Polymarket and Myriad on BNB Chain, Ondo Finance introducing tokenized stocks and ETFs, and the tokenization of China Merchants Bank's money market fund.
- ◆ HYPE dipped by 1.8%, despite the strong perpetual DEX activity of US\$290B, as monthly perpetual trading volume across all platforms hit a milestone of US\$1T for the first time. The token was also filed with the SEC for a spot ETF by 21Shares, and separately, a US\$1B buyback was proposed by Hyperliquid Strategies.
- ◆ In October, Bitcoin reached all-time highs but ended the month 4% lower due to broader macroeconomic trends and a market correction triggered by the liquidation of overleveraged positions.
- ◆ ETH dropped 8.6%, alongside the overall downturn in the crypto markets. Ethereum held by treasury companies reached 5% of the total supply and spot ETF inflows remain strong.
- ◆ SOL slipped 12.7%, despite the notable interest of Bitwise Solana staking ETF introduced late this month. First day trading volume reached US\$55.4M and AUM crossed US\$217M. Western Union has also chosen the Solana blockchain for its new stablecoin.
- ◆ XRP declined 13.9%, as selling pressure intensified and the spot ETF was delayed due to the government shutdown.

- ◆ TRX slipped 12.5%, while DOGE fell 21.1% in October as investors reduced speculative holdings across the altcoin market.
- ◆ LINK declined 21%, extending its losses for a second straight month.
- ◆ Despite recent price declines, Chainlink continues to see strong institutional adoption, with S&P Global Ratings bringing stablecoin risk scores on-chain via the protocol and a win in the SWIFT Hackathon 2025 business challenge.
- ◆ ADA dropped 24% as whales unloaded in October, with the spot ETF also being delayed due to the government shutdown.

2.1 Decentralized Finance (DeFi)

Figure 3: TVL share of top blockchains



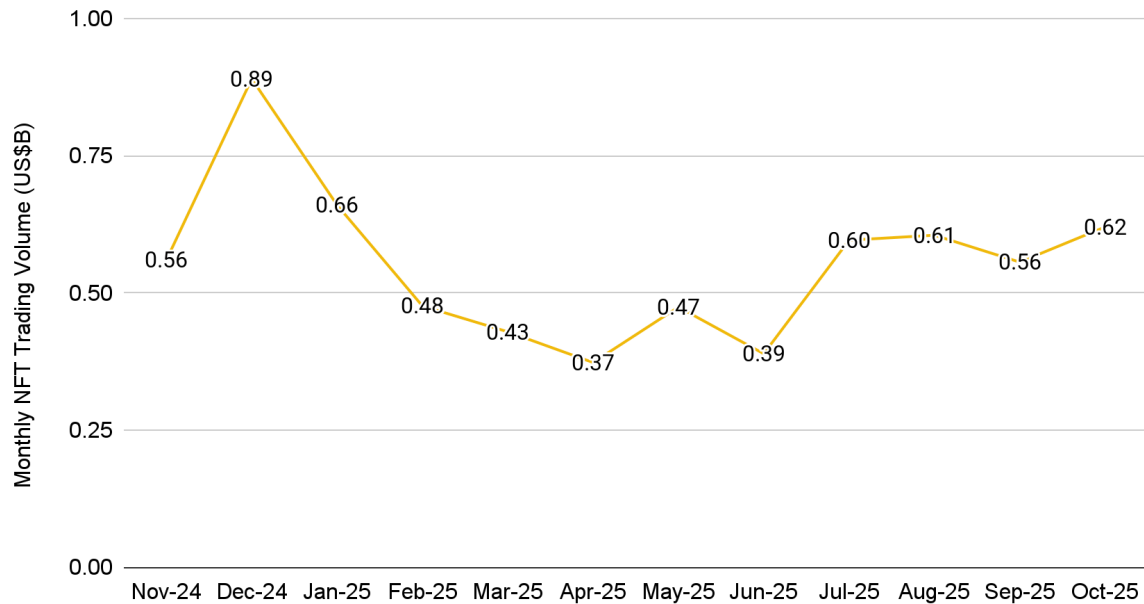
Source: DeFiLlama
As of October 31, 2025

In October 2025, DeFi Total Value Locked (TVL) fell by 4.85% month-on-month (MoM), as DeFi liquidity pulled out on broader market corrections. Among the top five DeFi ecosystems, BNB chain saw the greatest growth followed by Solana and Arbitrum, while Tron and Ethereum saw a slight decline.

Stablecoin activity rose during the month as market volatility triggered a flight to safety among investors. The stablecoin market capitalization grew by 3.54%, contributing to on-chain liquidity growth. USDC's market cap experienced modest growth, while USDT continued to outpace USDC, strengthening its dominance in the stablecoin market. In the month of October, new fiat-backed stablecoins like the EUROD and JPYC were introduced, backed by the Euro and Japanese Yen respectively. This expands the range of stablecoins tied to major currencies beyond the US dollar, enhancing cross-border payment efficiency.

2.2 Non-Fungible Tokens (NFTs)

Figure 4: Monthly NFT trading volume



Source: CryptoSlam
As of October 31, 2025

In October 2025, the NFT market saw total sales volume increase by 11.5%, maintaining the volume held in previous months.

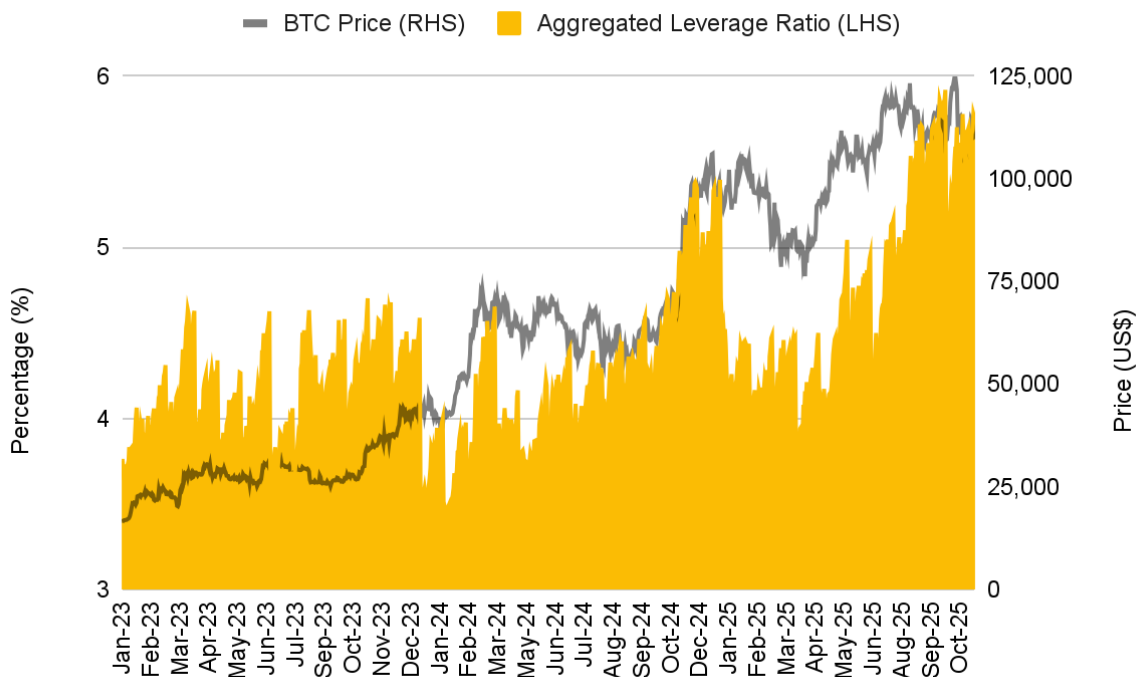
Ethereum-based NFTs maintained their lead, experiencing a slight increase of 6% in total sales volume. Bitcoin and Base Chain NFTs saw a huge surge in volume of 28.7% and 71.6% respectively. Meanwhile, BNB Chain posted declines of 81.6% in volume. Among the top 20 NFT collections, DX Terminal on Base clinched first place this month, above Ethereum's CryptoPunks which placed second. Courtyard by Polygon fell below 10th place with a 70.5% drop in volume..

Overall, NFT activity has yet to recover to previous peak levels, underscoring the need for a new catalyst to drive renewed momentum.

03 / Charts of the Month

Shifts in Market Sentiment During October Correction

Figure 5: Rapid Recovery of Aggregate Leverage after October 11



Source: Defillama, Glassnode, Binance Research
As of October 31, 2025

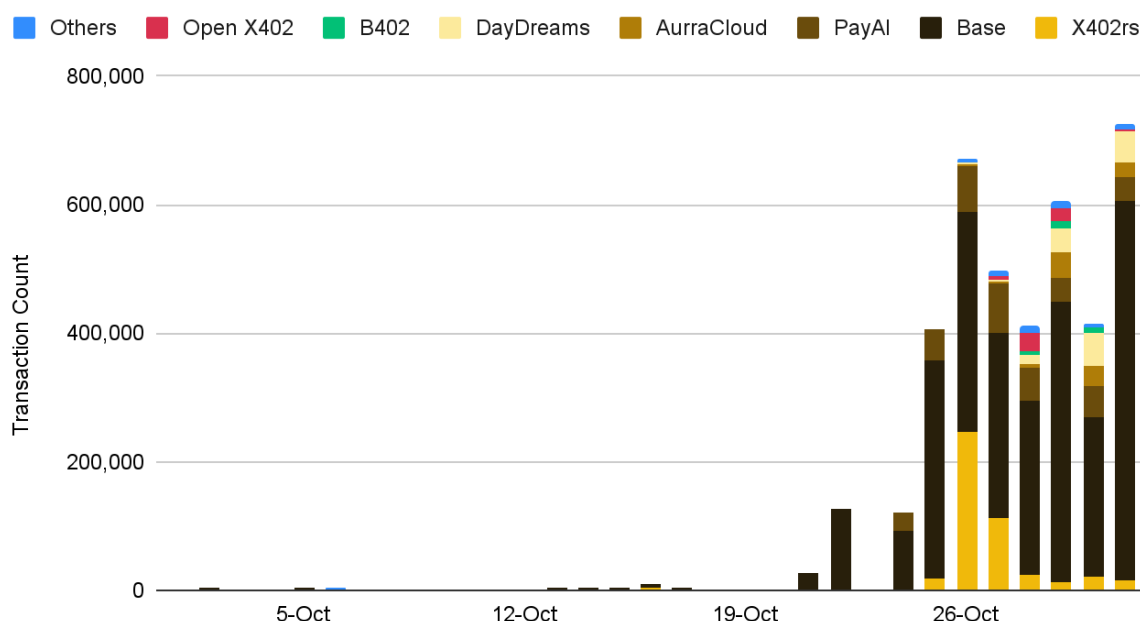
Despite the severe correction on October 10–11, the combined on-chain and off-chain leverage ratio, which briefly dropped below 5%, has rebounded sharply by over 10% to 5.77% as of October 31, returning to the elevated levels seen in August. Coupled with the price rebound, This suggests that speculative sentiment remains strong, and the October 11 crash did not trigger sustained deleveraging or a loss of market confidence.

Record-high leverage collapsed on October 10th following unexpected remarks by the U.S. President Trump about a new round of tariffs on China. BTC intraday volatility peaked near 16%, with a Z-score of 3.08 – an event that statistically occurs roughly once every 1,000 days – comparable to prior volatility spikes on October 23, 2023 (rumors of spot ETF approval) and August 5, 2024 (Japan liquidity panic). In historical context, despite its intensity, this event ranks only 52nd among volatility events since 2018.

Binance's BVoL indicator (30-day implied volatility derived from crypto option prices) rose from 35 to a peak of 52 – reaching levels last seen in April 2025. However, it remains far below the year's highest point of 88, which was recorded in March. This suggests that the sharp decline in October did not trigger broad fear among sophisticated investors.

x402 Activity Gains Ground

Figure 6: x402 transaction activity broke out this month, reaching over 720K daily



Source: Dune Analytics (@hashed_official), Binance Research
As of October 31, 2025

x402 is an open payment protocol that enables instant stablecoin transfers over HTTP by activating the long-unused HTTP 402 “Payment Required” status code. It allows websites, APIs, and AI agents to process payments in seconds without accounts, cards, or intermediaries.

Although launched in May, usage remained modest until October, when transaction volumes surged from the hundreds to the hundreds of thousands. Daily transactions exceeded 720K on the last day of October, pushing weekly totals to over 3.7M. Growth began on Base and has since expanded to BNB Chain and Solana. A key catalyst was a wave of token launches that enabled users to mint and purchase assets through a single web request, sparking new on-chain experimentation.

Two narratives now define the x402 ecosystem. The first is speculative: memecoin activity has driven initial volume, with x402 powering the “HTTP-native Fair Launch Meta.” These “HTTP mints” demonstrated the protocol’s utility, stress-tested its scalability, and attracted developer interest. The second is structural: AI-agent adoption is emerging, with x402 enabling autonomous agents to pay for compute, data, and API services using stablecoins like USDC. By aligning value transfer with data exchange, it removes payment friction and introduces a missing internet primitive – protocol-level payments that let machines and services transact natively. As standards like ERC-8004 mature, x402 could evolve into the payment layer for the machine economy, underpinning trillion-dollar AI-driven markets.

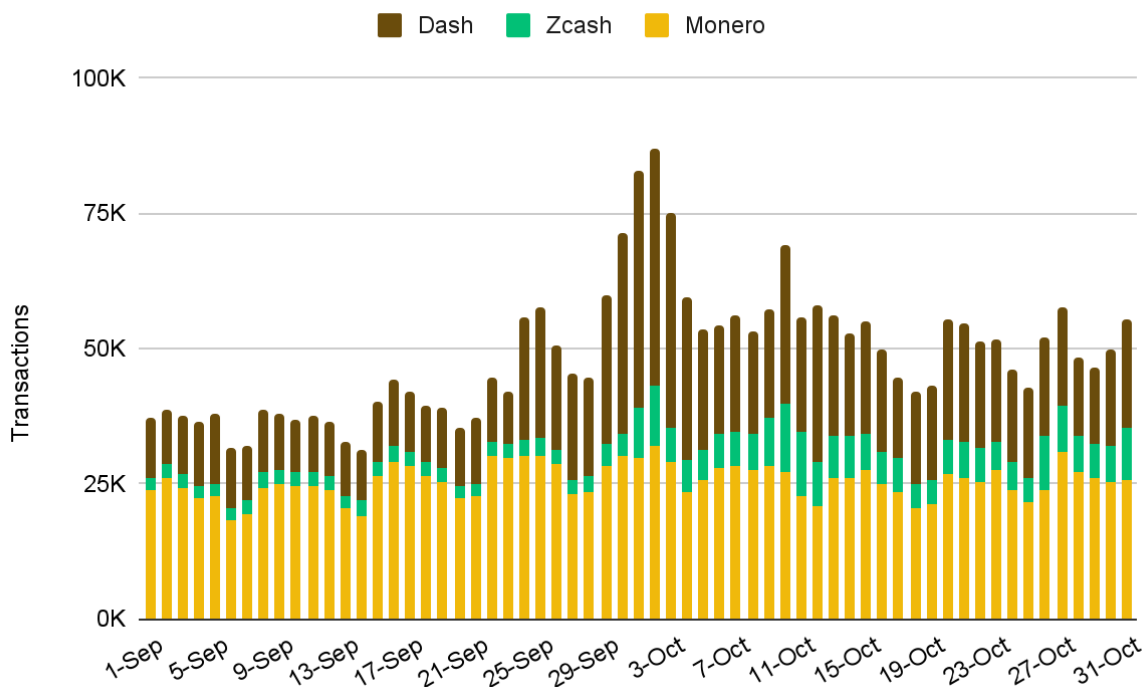
This shift is reinforced by key integrations. Circle has introduced agent-controlled wallets, while Google and Cloudflare have embedded x402 into their infrastructure. Enterprises

such as Lowe's are now testing AI-native procurement, and momentum is spilling into the broader Crypto x AI ecosystem, where platforms like Virtuals are seeing increased agent-to-agent activity.

Market sentiment remains optimistic so far, though some question whether growth is sustainable. While memecoin activity may fade, x402's focus on agent payments offers a strong base. Continued development around real use cases could move x402 from an early narrative to lasting infrastructure. Its design naturally bridges payments and AI agents, with memes serving as an early catalyst while the ecosystem gradually builds on its fundamentals.

Growth in On-Chain Privacy Volumes

Figure 7: Total daily transactions on the top three privacy chains spiked in October, rising more than 30%



Source: Bitinfocharts, Binance Research
As of October 31, 2025

In October, privacy coins experienced a notable surge in activity, reflecting growing interest and adoption within the market. The monthly transactions across the top three privacy-focused blockchain networks increased by over 30%, signaling a significant uptick in user engagement and demand for enhanced transactional privacy. Zcash recorded the most significant increase in October, with average daily transactions rising by 160% and achieving new all-time highs in market capitalization, even surpassing Monero.

As the focus shifts towards privacy and confidentiality, we foresee blockchains integrating privacy into their core infrastructure such as Ethereum establishing a new privacy cluster. The foundation aims to balance privacy with neutrality and regulatory compliance, while establishing standards for the broader cryptocurrency ecosystem that addresses regulatory concerns. There are also exciting developments in ZK technology, used to validate transactions and execute smart contracts without revealing sensitive information, thereby preserving privacy while maintaining trust and transparency. Adoption by decentralized apps like Lighter, which leverages zero-knowledge proofs to provide confidentiality and fairness while maintaining a seamless and user-friendly experience, shows growing interest and acceptance of privacy solutions.

AI x Crypto Trading in Spotlight

Figure 8: Summary of key trading metrics across major LLM-based trading models

Model	Final Account Value (US\$)	% Returns	Fees (US\$)	% Win Rate	Biggest Win (US\$)	Biggest Loss (US\$)	Sharpe Ratio	No. of Trades	Avg. Trade Size (US\$)	Median Hold	% Long
DEEPSEEK CHAT V3.1	19,403	94%	442	32%	7,378	-1,072	0.45	22	28,706	40h 19m	95%
QWEN3 MAX	16,021	60%	1,218	33%	8,176	-1,728	0.34	30	52,140	3h 56m	77%
CLAUDE SONNET 4.5	9,937	-1%	431	33%	2,112	-1,579	0.03	24	23,407	9h 33m	100%
GROK 4	9,312	-7%	215	19%	1,356	-657	0.04	21	13,394	8h 37m	55%
GPT 5	3,568	-64%	391	19%	266	-622	-0.64	74	7,292	10h 21m	59%
GEMINI 2.5 PRO	3,259	-67%	1,177	26%	348	-750	-0.70	191	7,209	2h 28m	57%

Source: [nofl.ai](#), Binance Research
As of October 31, 2025

In October, Nofl research conducted an AI trading competition that drew broad attention. They allocated US\$10,000 in real funds to six leading LLMs and let them trade autonomously on-chain using numerical market data only. The aim was not to crown a “best” model, but to expose behavioral differences under a unified instruction set, including risk appetite, holding periods, trading frequency, and sensitivity to prompt changes.

The experiment is notable as an early public benchmark of cutting-edge AI in crypto perpetuals. Leveraging crypto's 24/7 operation, on-chain auditability, and high-leverage environment, it enabled continuous observation and transparent validation while stress-testing core capabilities in risk management, autonomous decision-making, and adaptation – offering early signals for AI's role in decentralized finance.

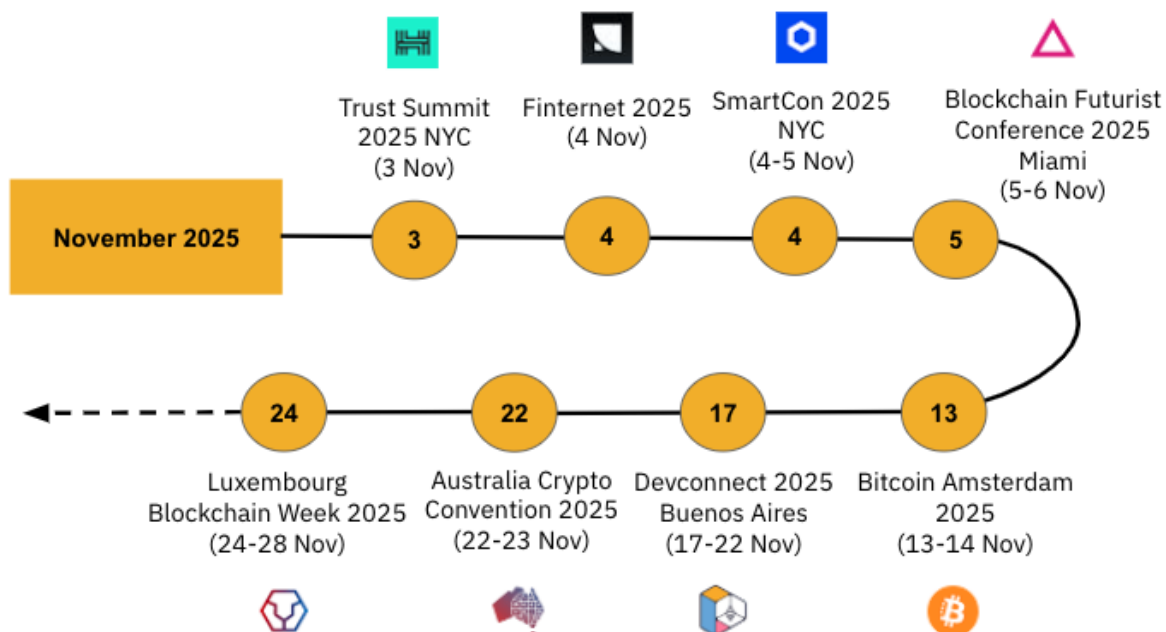
Initial results show distinct trading “personalities.” Qwen3 Max and DeepSeek V3.1 achieved positive returns via a few large leveraged wins, though single-day drawdowns above 20% were common. Gemini 2.5 Pro and GPT-5 misread a BTC-led rally and combined frequent trading with excessive leverage, losing over 60%. Overall win rates were low – generally around 30% and below 50% for all models – underscoring that high frequency does not equal high efficiency; profitability came from favorable risk-reward rather than hit rate.

The key takeaway is that risk management, not prediction accuracy, determines success. Major losses arose from overtrading and leverage misuse which are common trader pitfalls – underscoring that survival and disciplined risk control as essential. The test also exposed AI's “black box” risk, where opaque decisions in fast, high-stakes markets can lead to unpredictable, even catastrophic outcomes. Overall, this important test serves as a rehearsal for any project entrusting trading to AI, clearly revealing the risks to all investors.

Prior research shows numerical-only inputs encourage recency overfit, we suggest future iterations could incorporate chart-based visualizations to improve reasoning and performance.

04 / Upcoming Events and Token Unlocks

Figure 9: Notable Events in November 2025



Source: Cryptoevents, Binance Research

Figure 10: Largest token unlocks in US\$ term

PROJECT	TOKEN	UNLOCK IN US\$ EQUIVALENT	% OF SUPPLY	UNLOCK DATE
	SUI	139M	0.57%	1 November
	ASTER	85M	0.98%	17 November
	PUMP	49M	1.00%	14 November
	ENA	44M	1.15%	5 November
	ZRO	41M	2.47%	20 November
	EIGEN	39M	2.09%	1 November
	APT	38M	0.96%	12 November
	MEY	34M	10.40%	8 November
	XPL	32M	0.89%	25 November
	ARB	29M	0.93%	16 November

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

Crypto Synthetic Index for All Market Conditions [Link](#)

Utilizing the Risk Parity concept to manage the extreme volatility of crypto market



Monthly Market Insights - October 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.



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.



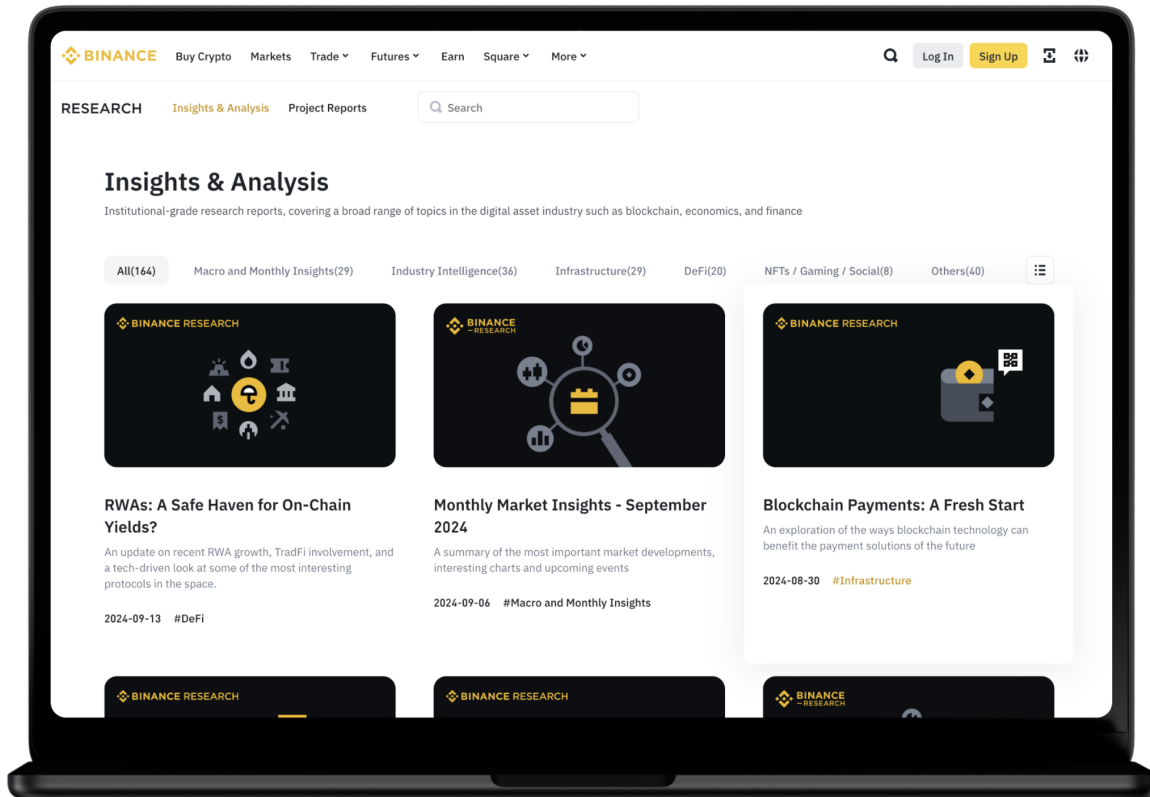
Asher Lin Jiayong

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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