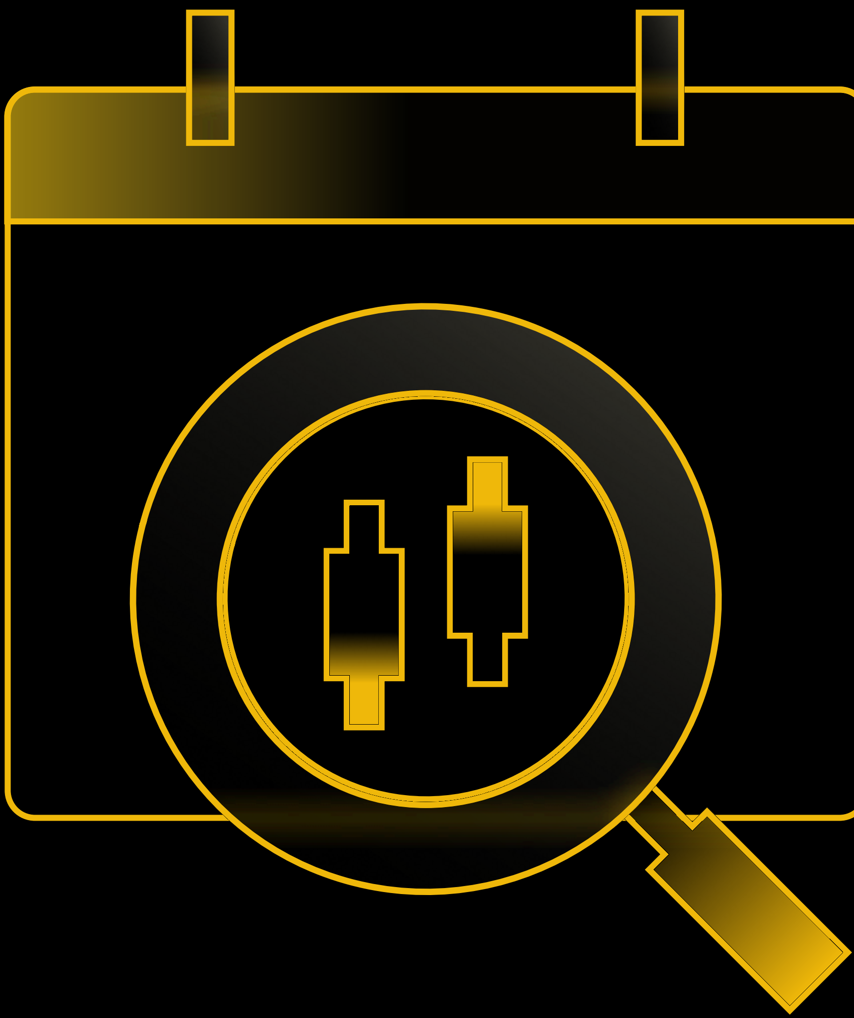
BINANCE RESEARCH

MONTHLY MARKET INSIGHTS

DECEMBER 2025



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01 / Key Takeaways

- In November, the cryptocurrency market cap fell 15.43%, continuing a downward trend. Uncertainty surrounds the Federal Reserve's December meeting, while the Bank of Japan is expected to raise rates, sparking concerns over the yen carry trade. Treasury companies like Strategy and Bitmine saw sharp share price declines of 36% and 38%, raising fears of a further crash. Looking ahead, December may bring a short-lived rebound as profit-taking eases and dip buyers enter a thinly traded, festive-season market despite ongoing macroeconomic challenges.

- The Fed's quantitative tightening (QT) is set to end on December 1, marking the conclusion of the hawkish tightening cycle that began in 2022. Starting in January, it is highly likely the Fed will enter a "balance sheet growth phase" by purchasing $20-25 billion in T-bills monthly. This move will effectively inject liquidity in a manner similar to a "QE-Lite," signaling a stronger easing stance than rate cuts alone. This macro liquidity pivot provides a solid foundation for BTC, which is considered the ultimate beta play on global liquidity. Historical patterns show that rapid Fed balance sheet expansions following QT periods tend to drive strong asset rallies.

- The stock market has shifted from the overheated NVIDIA-OpenAI GPU "Red Camp" to the more balanced Google TPU "Green Camp" ecosystem. This transition highlights persistent risk appetite in bull markets, with crypto markets also rebounding in tandem. The overhang from NVIDIA value chain concerns appears to have been lifted for now.

- Spot BTC ETFs saw their largest monthly outflows since launch, exceeding US$3.5B in November. This included several weeks where net outflows were near or above US$1B, while trading volumes also reached record levels over the month. These outflows aligned with broad crypto market drawdowns and ongoing macro uncertainty, with ETF flows reacting directly to changing risk conditions. In contrast, newly launched altcoin ETFs (e.g., SOL, XRP, LTC) saw net positive inflows since listing even as BTC ETFs saw persistent outflows.

- Digital Asset Treasuries (DATs) face declining valuations amid market volatility and regulatory pressure. The January 2026 MSCI decision and increased scrutiny from the Japan Exchange Group threaten firms heavily invested in digital assets. Pressure is mounting for DATs to evolve by generating yield and integrating digital assets into core operations or risk liquidation.

02 / Crypto Market Performance

In November, total cryptocurrency market capitalization declined by 15.43%, extending the negative price momentum from the previous month. The outcome of the upcoming Federal Reserve meeting in December remains uncertain, with market participants closely watching whether a 25 basis point rate cut will be implemented. Conversely, Bank of Japan is expected to raise interest rates by 25 basis points, raising concerns about a potential unwinding of the yen carry trade.

Both Bitcoin and Ethereum's market dominance fell in November to 58.7%, and 11.6% as markets pulled back. Treasury companies are facing heightened pressure amid the decline in digital asset prices, with the two largest firms – Strategy and Bitmine – experiencing significant share price declines of 36% and 38%, respectively.

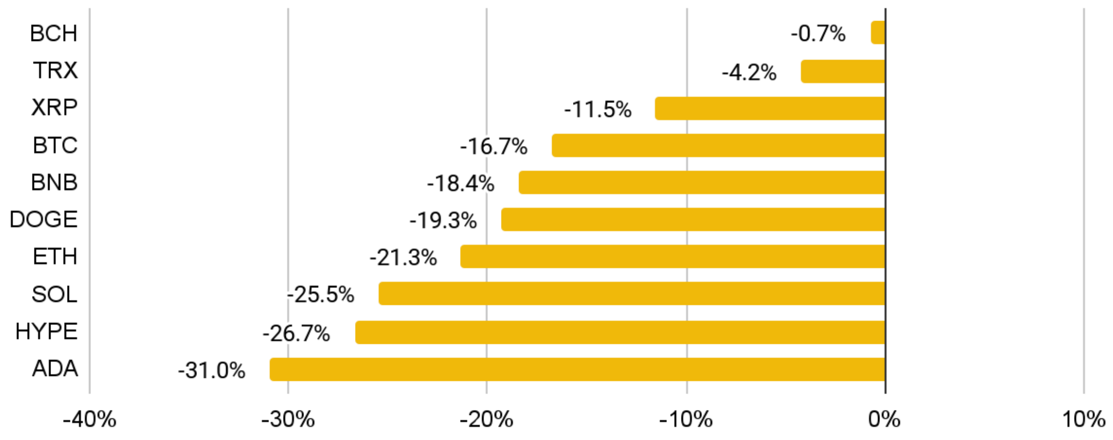
Looking ahead, December could potentially see a rebound rally as profit-taking slows down and dip buyers step in, especially in a thinly traded market characterized by the festive season. This combination may create favorable conditions for a short-lived price recovery amidst macro headwinds.

Figure 1: Monthly crypto market capitalization decreased by 15.4% in November

	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	-15.4	
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 November 30, 2025

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



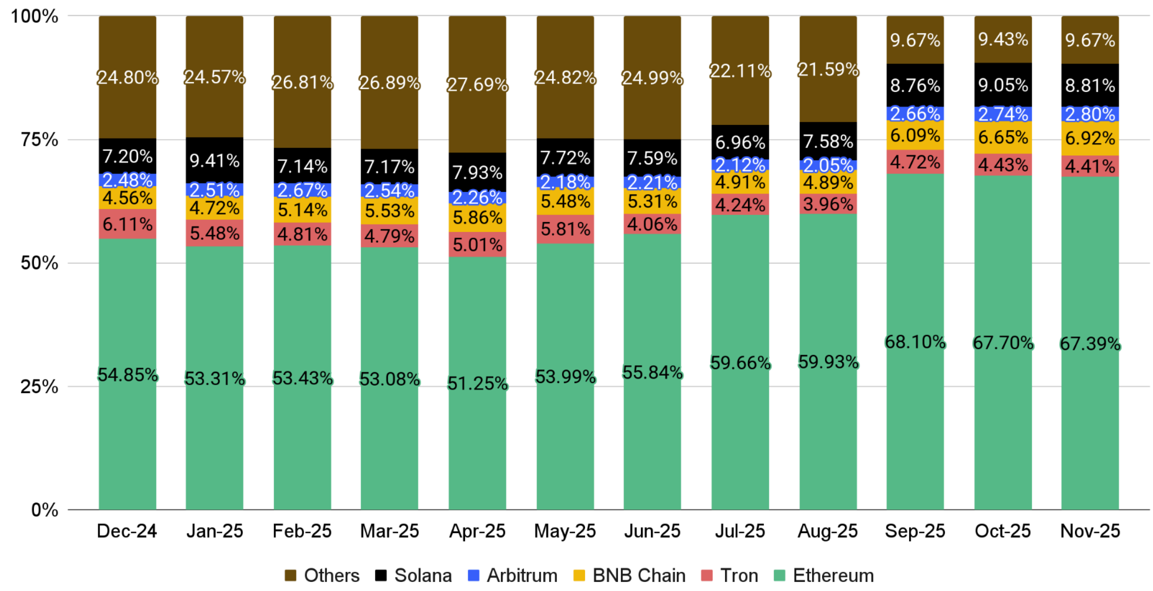
Source: CoinMarketCap
As of November 30, 2025

In descending order of performance:

- BCH, TRX dropped by 0.7% and 4.2% respectively.
- XRP, and DOGE fell by 11.5% and 19.3% respectively. Both Franklin and Grayscale XRP ETFs launched this month, attracting over US$60M in net inflows on their first trading day – a clear sign of strong investor demand. On the other hand, Grayscale's DOGE ETF saw muted interest with low debut trading volume.
- In November, Bitcoin's price dropped to around US$80K before rebounding to close the month at approximately US$87K, marking a 16.7% decline. During the same period, Bitcoin spot ETFs experienced significant outflows nearing US$4 billion amid widespread panic selling.
- In November, BNB corrected together with the broader markets, ending the month with a 18.4% drop.
- ETH dropped 21.3%, alongside the pullback in the crypto markets. The upcoming Fusaka upgrade planned in December introduces PeerDAS and Verkle Trees to enhance scalability, efficiency and improve L2 experience.
- SOL's price slipped 25.5% in November , despite Solana spot ETFs continuing to see daily net inflows during the period.
- HYPE's price declined by 26.7%, likely driven by uncertainty surrounding sell pressure from upcoming linear token unlocks allocated to core contributors.
- In November, ADA experienced the largest decline among major cryptocurrencies, falling 31%, likely triggered by the chain split caused by a transaction that exploited a network bug.

2.1 Decentralized Finance (DeFi)

Figure 3: TVL share of top blockchains



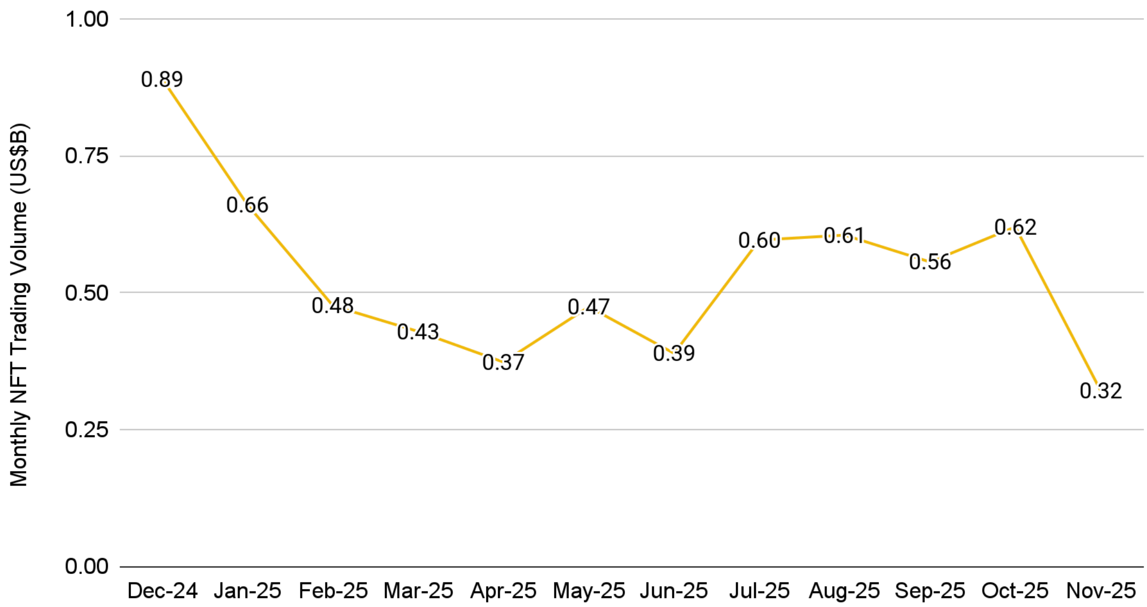
Source: DeFiLlama
As of November 30, 2025

In November 2025, DeFi Total Value Locked (TVL) fell by 20.8% month-on-month (MoM), as stablecoin de-pegs and the hack on Balancer pulled DeFi liquidity out due to fears. Among the top five DeFi ecosystems, only BNB chain and Arbitrum saw a growth in market share while others recorded a slight decline. Uniswap proposed a "fee switch" governance upgrade that aims to redirect a portion of protocol fees from liquidity providers to UNI token holders. By converting fees into a token burn mechanism, this change could reduce UNI supply and enhance token value, but could also pose a challenge for liquidity providers due to the decrease in fee revenue.

Stablecoin activity rose during the month as market volatility triggered a flight to safety among investors. The stablecoin market capitalization fell by 0.37%, marking its first decline since 2022. Higher yields in traditional financial markets have diminished the attractiveness of stablecoin returns, while recent pullback in the cryptocurrency markets have prompted some investors to withdraw from digital assets altogether. Concurrently, the unwinding of leveraged positions across various platforms has contributed to further redemptions. USDC's market cap experienced modest growth, while USDC fell, widening the gap between the two key players in the stablecoin market.

2.2 Non-Fungible Tokens (NFTs)

Figure 4: Monthly NFT trading volume



Source: CryptoSlam
As of November 30, 2025

In November 2025, the NFT market saw total sales volume fall by 48.2%, marking a steep decline from previous months.

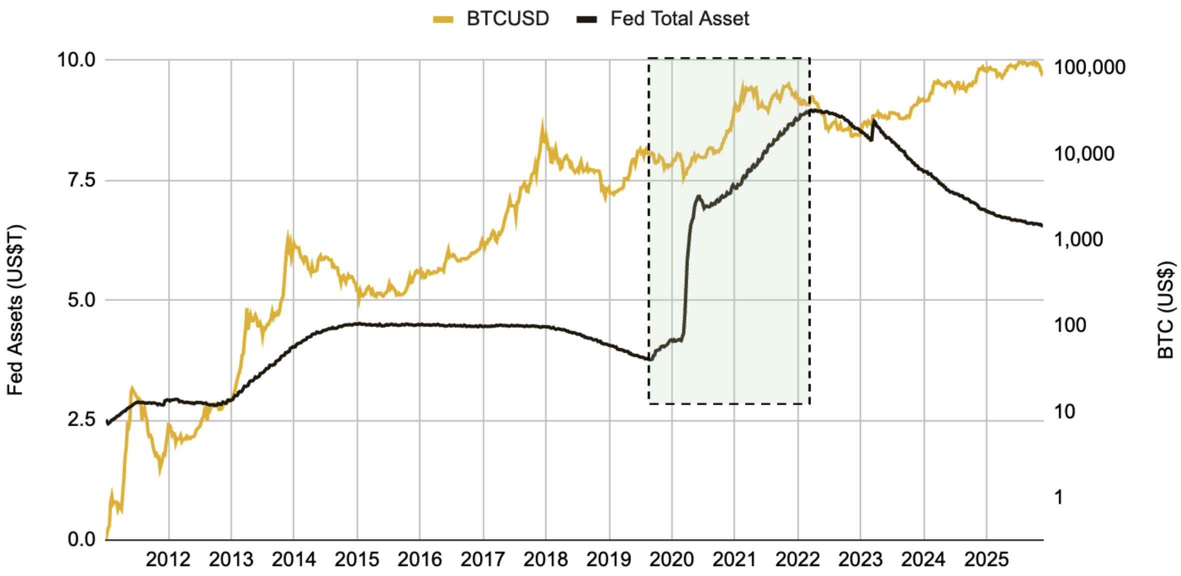
Ethereum-based NFTs maintained their lead, but fell sharply by 70% in total sales volume. BNB and Bitcoin and Base Chain NFTs all saw a huge drop in volume of 74%, 43% and 67% respectively. Among the top 20 NFT collections, DMarket on Mythos clinched first place this month, above popular Ethereum based NFT Pudgy Penguins and CryptoPunks. DX Terminal on the Base network fell from top place to seventh this month, with a 77% drop in sales volume.

Alongside the pullback in the overall cryptocurrency market, NFT activity saw a greater drop in sales volume and activity due to its speculative nature.

03 / Charts of the Month

QT End is Just the Start, QE is Near

Figure 5: Fed Quickly Expanded Balance Sheet After Last QT End



Source: Fred, Binance Research
As of November 30, 2025

Although the Fed announced in October that it would stop QT, the actual end date is December 1. This technical timing explains why liquidity benefits did not materialize throughout November. Only after this date can we say the hawkish tightening cycle since 2022 has fully ended.

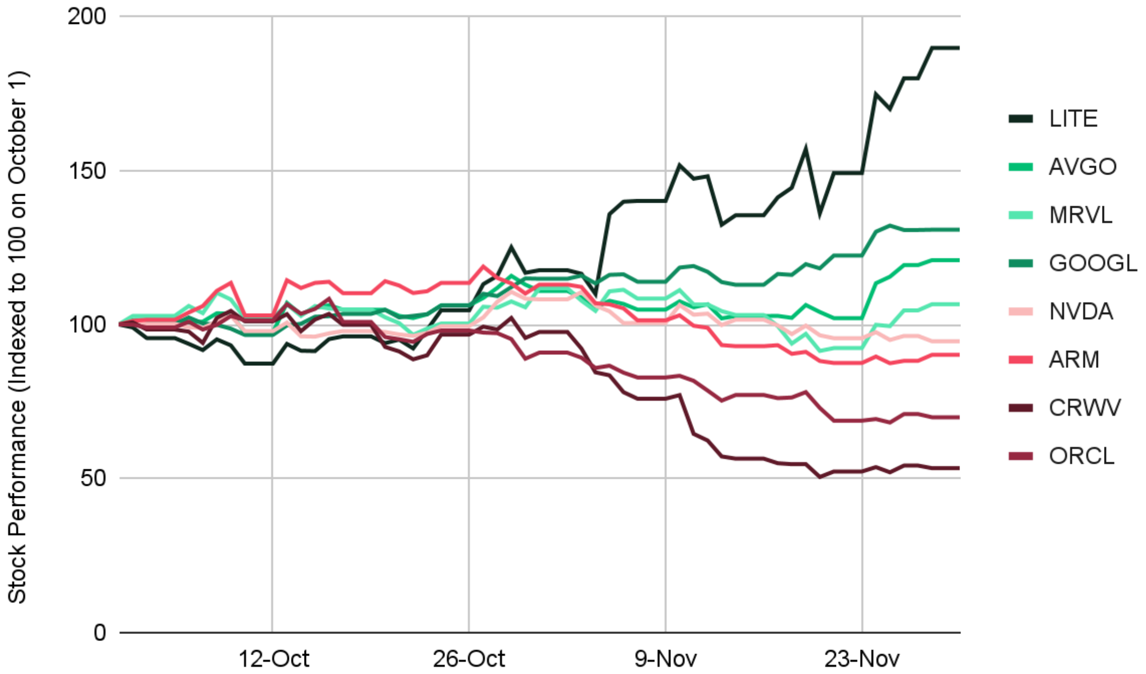
In the short term, the Fed will replace maturing MBS with short-term debt, aiming to adjust the balance sheet composition rather than expand it. This is not monetary easing per se, but it stops withdrawing about US$40 billion in liquidity monthly, which is a marginal positive for markets. Historically, stopping QT is just the first step; to match economic growth and maintain neutral liquidity, the Fed will soon need to actively expand its balance sheet.

Fed's Williams has signaled that starting January, the Fed will enter a "balance sheet growth phase," potentially buying US$20-25 billion of short-term T-bills monthly to replenish reserves and stabilize the system. While the Fed calls this a "technical operation" rather than QE, its liquidity injection effect is essentially the same. This can be seen as a "QE-Lite," a stronger liquidity signal than rate cuts.

Crypto assets, especially Bitcoin, are the 'ultimate beta asset' on global macro liquidity, this macro shift lays a solid foundation for their future market performance.

AI Bubble Rotation: A Late-Cycle Perspective

Figure 6: Red Camp NVDA-OpenAI vs. Green Camp Google TPU Ecosystem — A Clear Divide



Source: Tradingview, Binance Research
As of November 30, 2025

Over the past month, the favorable "Goldilocks" risk environment – neither overheating nor cooling – was disrupted by three factors: government data blackouts, a hawkish pivot following the October FOMC meeting, and growing investor skepticism around hyperscaler capex ROI. Concerns over the capital intensity required to build AI infrastructure triggered a broad selloff in AI equities, dragging risk assets including crypto lower across the board.

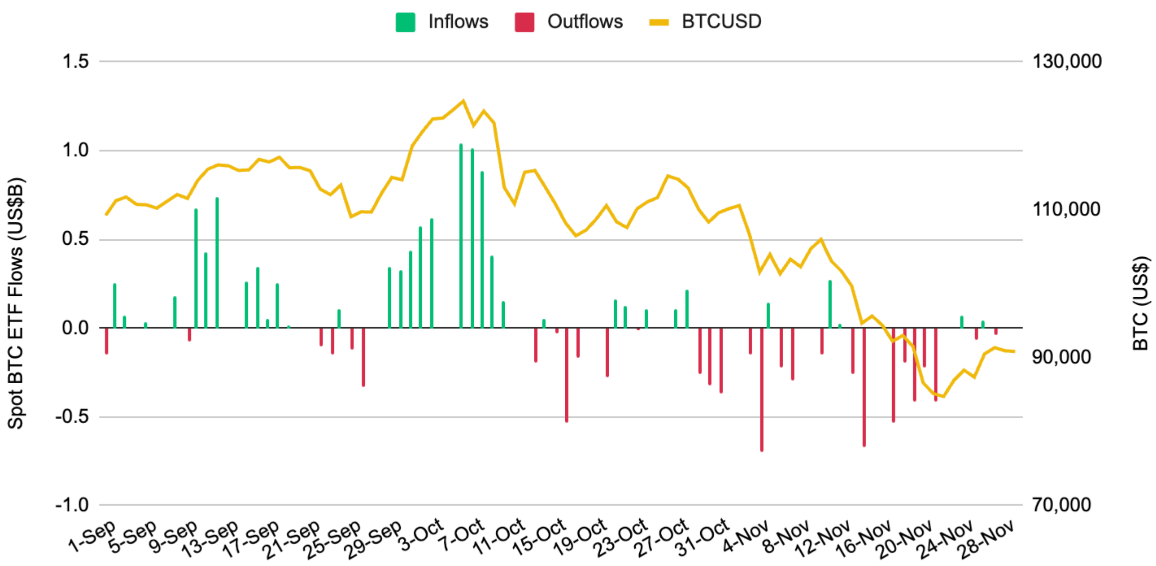
However, we view the current cycle as a transition from robust expansion to moderate deceleration, amid a gradually easing rate environment. In this context, corporates typically respond by re-leveraging balance sheets and optimizing operational efficiency – a rational strategy to defend growth and lock in returns.

Accordingly, capital allocation toward high-intensity projects (AI infrastructure, core R&D) reflects classic late-cycle behavior: re-leveraging and balance sheet restructuring. **While investors periodically panic over rising corporate debt, bull markets only end under two conditions – recession or valuation bubble collapse. Neither is present in our base case, suggesting risk appetite can still persist.**

Later in November, the market narrative rotated within AI itself. Gemini 3's strong reception and Google's announcement of TPU shipments to Meta provided a new leadership story to sustain momentum. Crypto rebounded in tandem. The overhang from NVIDIA-OpenAI value chain concerns appears, for now, to have been lifted.

Record Outflows Hit Spot BTC ETFs

Figure 7: Spot BTC ETFs recorded their largest monthly outflows to date in November, exceeding US$3.5B



Source: Glassnode, Binance Research
As of November 30, 2025

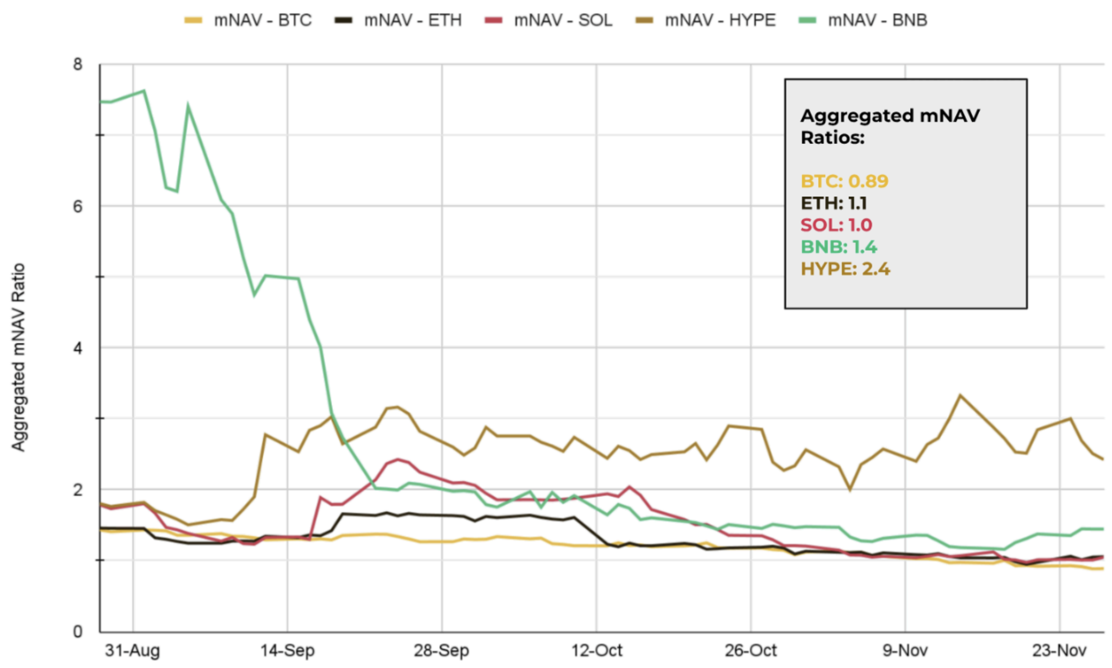
Spot BTC ETFs recorded their largest monthly outflows since launch, exceeding US$3.5B in November. This month saw multiple consecutive weeks of net outflows near or above US$1B – a first – with November also recording one of the largest single-day outflows of the year. This acceleration in ETF redemptions coincided with broad crypto market drawdowns, as BTC declined toward US$80K, reflecting a shift toward risk-off sentiment driven by rising macro uncertainty that began in October and intensified in November amid shifting rate-cut expectations. As the drawdown deepened, BTC also moved near the aggregated ETF cost basis, which added to weakening sentiment and investor sensitivity.

This behavior suggests that ETF investors are currently treating BTC as a risk asset, with flows reacting directly to macro conditions. These flows in turn influence BTC price action and broader crypto market performance, highlighting the growing convergence between crypto and traditional financial markets.

Trading activity rose sharply as well. Daily BTC ETF volumes broke records multiple times during the month, reaching ~US$11B on November 21. Despite persistent BTC ETF outflows, newly launched altcoin ETFs (including SOL, XRP, and LTC) have seen net positive inflows since listing, reflecting early investor demand across a broader set of crypto ETF products.

DATs Come Under Stress

Figure 8: DAT companies are being stress-tested, as their mNAV ratios begin to consolidate



Source: Artemis, Binance Research
As of November 30, 2025

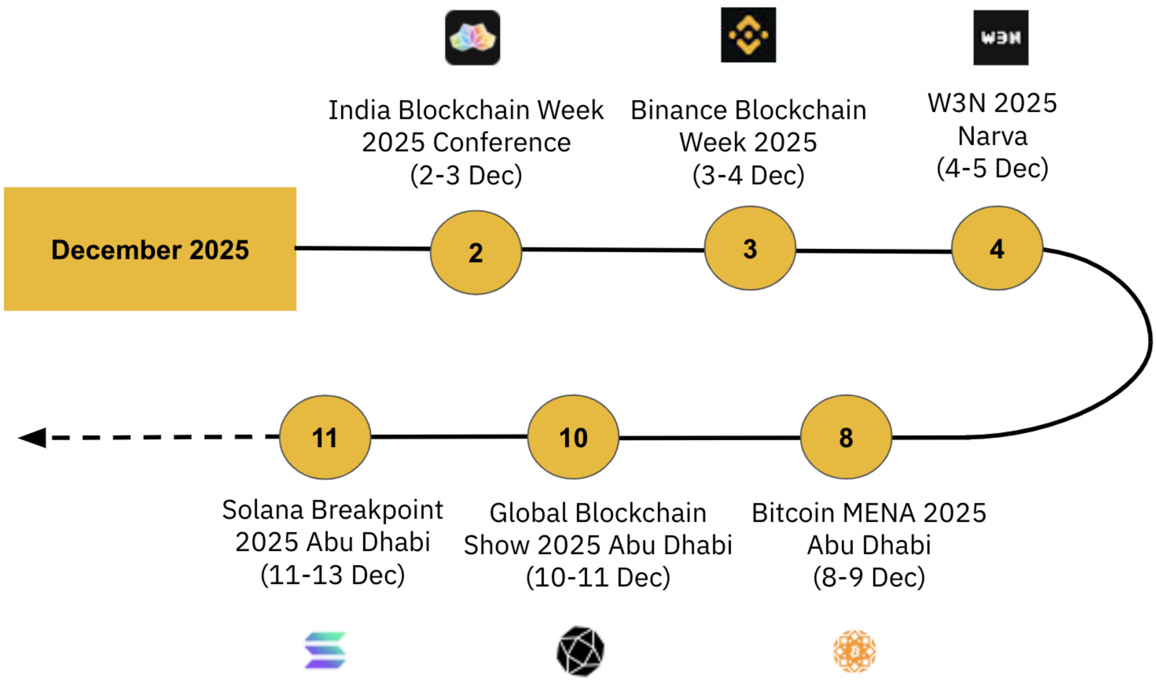
Digital Asset Treasuries (DATs) are currently **facing significant market and regulatory pressures**, resulting in a marked decline in their valuation premiums. **Previously, many DATs traded above Net Asset Value (mNAV**), driven by investor enthusiasm and leverage. However, increased volatility and the risk of index reclassification have pushed many to **trade at a discount**, rendering capital raises increasingly non-accretive.

A key upcoming challenge is the anticipated **MSCI decision by January 15, 2026**, which may **exclude firms holding 50%** or more of their assets in digital assets or those primarily raising capital to accumulate them. This is compounded by heightened regulatory scrutiny from the **Japan Exchange Group (JPX)**, aimed at curbing opportunistic shifts toward crypto treasury models.

The future of DATs could be at a critical juncture: either a prolonged crisis forces leveraged players to liquidate, or a new generation of resilient "Treasury 2.0" managers emerges. Survivors will need to demonstrate **value beyond mere accumulation** of digital assets – through **yield-generating activities** such as staking or DeFi deployment, or by **integrating digital assets and blockchains** into core business operations or entirely new revenue streams.

04 / Upcoming Events and Token Unlocks

Figure 9: Notable Events in December 2025



Source: Cryptoevents, Binance Research

Figure 10: Largest token unlocks in US$ term

TOKEN	UNLOCK IN US$ EQUIVALENT	% OF SUPPLY	UNLOCK DATE
ASTER	92M	0.98%	17 December
SUI	85M	0.56%	1 December
ENA	50M	1.15%	5 December
ZRO	33M	2.47%	20 December
PUMP	28M	1.00%	14 December
APT	26M	0.95%	12 December
EIGEN	22M	2.08%	1 December
ARB	20M	0.93%	16 December
STRK	19M	1.28%	15 December
XPL	19M	0.89%	25 December

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

The End of QT: From Macro Headwind to Tailwind **Link**
Looking into the liquidity turning point and the new cycle

The Stablecoin Business **Link**
Analysis of the battle for the stablecoin stack and future industry focus

About Binance Research

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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.

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Resources

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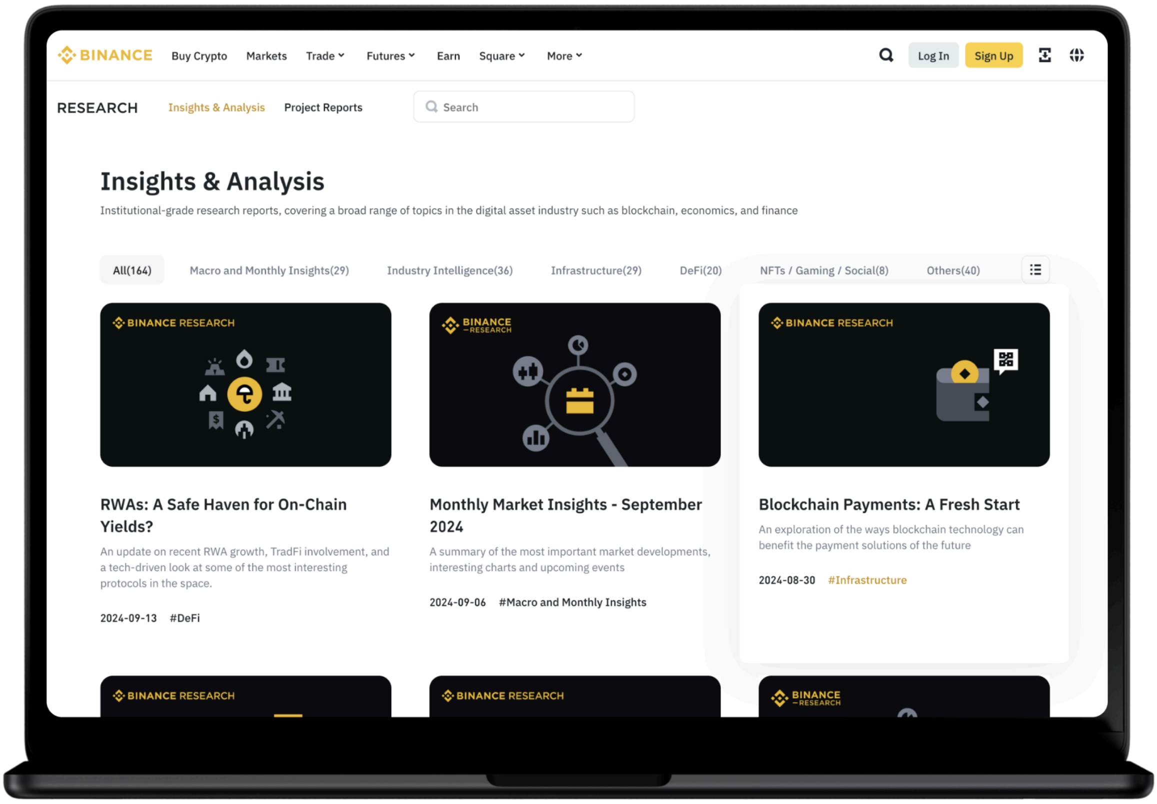

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