
Crypto Market Review:

Bitcoin



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	1D	5D	1M	3M	6M	1Y	QTD	YTD
	%Chg	%Chg	%Chg	%Chg	%Chg	%Chg	%Chg	%Chg
BTC	0.6%	-1.9%	-6.6%	0.6%	30.5%	73.7%	2.4%	17.6%

Table 1. Bitcoin Price Indicators

Source: [CryptoQuant](#)

Throughout 2025, Bitcoin has been demonstrating strong growth, serving as the primary investment instrument in the digital asset market for investors. Against the backdrop of positive developments related to U.S. digital asset regulation and the Trump administration’s favorable stance toward Bitcoin and stablecoins as an asset class, Bitcoin reached a new all-time high of \$124,000. However, price dynamics over the past two weeks have been negative.

Macroeconomic Background

The last quarter has been marked by relative stability in U.S. monetary policy. The Federal Reserve kept the key interest rate at **4.50%**, reflecting a balance between combating inflation and avoiding overheating the economy. At the same time, expectations of rate cuts by the end of the year have intensified since August – with markets pricing in monetary easing as a supportive factor for risk assets, including digital assets.

Inflation indicators remain above the Fed’s target: **CPI ~2.8%, Core CPI ~3.0%, PCE ~2.75%, and Core PCE ~2.9%**. This points to a persistent but gradually easing inflationary environment. For investors, this means the central bank will act cautiously, though the prospect of rate cuts remains a driver of liquidity growth in financial markets.

The stock market has shown strong performance in 2025: the **S&P 500** reached new record highs at around **6,502 points (+10.5% YTD)**. Such growth increases risk appetite, which in turn supports inflows into crypto ETFs and boosts interest in Bitcoin as an alternative asset.

In the currency market, the **U.S. Dollar Index (DXY)** declined in the first half of the year but partially recovered in July, consolidating around **98 points**. A weaker dollar traditionally drives demand for alternative assets, including gold and digital assets. Additional factors include:

- The slowdown of the global economy in China and the EU, reinforcing the role of the U.S. and U.S. assets as a “safe haven”;
- Rising demand for gold as a defensive instrument (with historical highs above **\$2,500**), which also strengthens the “digital gold” narrative for Bitcoin;
- Growing geopolitical tensions (U.S.–China trade disputes, local conflicts), which traditionally increase the attractiveness of safe-haven assets.

Thus, the macroeconomic environment remains mixed: on the one hand, inflationary pressures persist and the Fed remains cautious; on the other hand, a strong stock market and expectations of rate cuts stimulate risk appetite. In this context, Bitcoin benefits as both an “alternative” and partially defensive asset, particularly amid dollar weakness and increasing institutional interest.

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Comparison with Other Assets and Market Dominance

BTC: Relative Performance

	1D %Chg	5D %Chg	1M %Chg	3M %Chg	6M %Chg	1Y %Chg	QTD %Chg	YTD %Chg
vs SPX	1.0%	-1.8%	-7.4%	-10.4%	22.4%	59.1%	-1.3%	8.1%
vs GOLD	0.4%	-3.6%	-8.3%	-0.3%	14.9%	39.8%	0.4%	-10.8%
vs \$USD	0.7%	-2.0%	-7.3%	1.4%	38.1%	76.3%	1.0%	27.0%

Table 2. Price Indicators of Key Indices

Source: [CryptoQuant](#)

Compared with the S&P 500 index as well as gold, Bitcoin’s returns over key time horizons (3 months, 6 months, 1 year) have been higher. However, it should be noted that the digital asset market has managed to accumulate certain positive factors, as described above, which has resulted in a more significant price increase compared to the key indices.

Crypto Performance

	1D %Chg	5D %Chg	1M %Chg	3M %Chg	QTD %Chg	YTD %Chg	vs.52-WK	
							High	Low
BTC	0.6%	-1.9%	-6.6%	0.6%	2.4%	17.6%	-11.5%	48.1%
ETH	2.1%	4.7%	18.6%	73.0%	77.4%	32.8%	-10.3%	220.7%
SOL	0.7%	4.6%	2.0%	7.7%	21.7%	-0.2%	-30.7%	98.0%
AVAX	0.6%	3.2%	-5.8%	1.9%	30.7%	-34.0%	-57.6%	60.3%
AAVE	4.5%	10.9%	12.8%	24.4%	21.2%	8.0%	-16.8%	192.0%
MSTR	-4.2%	-5.6%	-15.4%	-7.1%	-15.1%	18.5%	-34.0%	215.0%
MARA	-5.5%	-4.3%	-10.7%	4.5%	-1.8%	-8.2%	-46.2%	66.1%
RIOT	0.5%	7.8%	-8.7%	55.3%	17.5%	30.1%	-16.7%	113.6%
COIN	-4.3%	-4.6%	-21.9%	16.3%	-12.7%	23.2%	-28.1%	124.3%

Table 3. Comparison of Price Dynamics with Other Cryptocurrencies and BTC Indexes

Source: [TradingView Data](#)

Crypto Market Review: Bitcoin

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Mean (10Y)
Bitcoin 36%	Bitcoin 120%	Bitcoin 1417%	FI 0%	Bitcoin 90%	Bitcoin 305%	Bitcoin 58%	Cmdty 21%	Bitcoin 154%	Bitcoin 123%	Bitcoin 217%
FI 1%	HY FI 17%	EM Eq 35%	Gold -2%	SPX 29%	Gold 25%	Cmdty 31%	FI 12%	SPX 24%	Gold 27%	SPX 12%
SPX -1%	Cmdty 13%	SPX 19%	HY FI -2%	EM Eq 20%	SPX 16%	SPX 27%	Gold 0%	Gold 13%	SPX 23%	Gold 9%
HY FI -4%	EM Eq 11%	Gold 14%	SPX -6%	Gold 18%	EM Eq 15%	HY FI 5%	HY FI -11%	HY FI 13%	EM Eq 12%	EM Eq 6%
Gold -10%	SPX 10%	HY FI 7%	Cmdty -9%	HY FI 15%	HY FI 7%	EM Eq 1%	EM Eq -18%	EM Eq 10%	Cmdty 8%	HY FI 6%
EM Eq -14%	Gold 8%	Cmdty 4%	EM Eq -14%	Cmdty 10%	FI 7%	FI -1%	SPX -19%	FI 6%	HY FI 8%	Cmdty 5%
Cmdty -25%	FI 2%	FI 3%	Bitcoin -74%	FI 8%	Cmdty -3%	Gold -4%	Bitcoin -64%	Cmdty -4%	FI 2%	FI 4%

FI - S&P U.S. Aggregate Bond Total Return Index

HY FI - S&P U.S. High Yield Corporate Bond Total Return Index

EM Eq - Dow Jones Emerging Markets Total Return Index

Cmdty - Dow Jones Commodity Index

Table 4. Bitcoin performance compared to traditional assetss

Source: Author's model

Compared to other digital assets, Bitcoin accounts for 58.1% of the digital asset market share, as evidenced by its dynamics and dominance level, which have only declined in the past two months (see Chart 1).



Chart 1. Bitcoin Dominance, %

Source: [Tradingview](https://tradingview.com)

Bitcoin remains the least volatile digital asset, as confirmed by the comparison of its annual high and low. However, the usual “altseason” has not yet occurred: while Bitcoin has reached a new all-time high, liquidity inflows into the Ethereum ecosystem and other altcoins are taking place in an atypical manner. ETH became a beneficiary of accumulated positive sentiment a few months ago, pulling along projects with strong unit economics; however, a broad-based price rally in altcoins has not materialized.

Considering a wider set of factors – including the macroeconomic environment, which can significantly affect Bitcoin’s price dynamics – the use of cyclical models is currently less relevant. Still, proponents of the four-year cycle concept expect that a new peak will be reached by late 2025 or early 2026.

Moreover, institutional influence is becoming increasingly important: large players are accumulating assets gradually, and such purchases alter the structure of market cycles, making them longer in duration.

Influence of the Stock Market and Institutional Investments

BTC Price Correlations

METRIC	1Y Rolling 30D Correlation					
	15D	30d	90D	120D	HIGH	LOW
SPX	0.36	0.06	0.90	0.91	0.92	-0.20
\$USD	-0.54	-0.29	-0.47	-0.76	0.97	-0.68%
GOLD	0.00	0.04	0.27	0.72	0.88	-0.79%
10Y Breakeven	0.03	0.34	0.82	0.68	0.93	-0.63%
VIX	-0.36	-0.28	-0.82	-0.73	0.11	-0.94%

Table 5. BTC Correlation Indicators

Source: Author’s model

Bitcoin, like most other digital assets, remains dependent on the stock market, as confirmed by its high correlation on 120-day timeframes. The explanation is straightforward: under any negative backdrop, investors prefer to offload the riskiest assets and shift into more conservative ones. Thus, when the stock market declines, they also withdraw funds from crypto ETFs, leading to outflows and, consequently, a decrease in the capitalization of the crypto market.

However, it should be noted that in recent months, there have been multiple instances when Bitcoin did not react to stock market movements or even moved in the opposite direction. This suggests that for some investors, cryptocurrency is increasingly perceived as an independent instrument with intrinsic value, gradually breaking away from traditional financial assets.

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As crypto products evolve and gain mass adoption, Bitcoin's price dynamics will likely become less dependent on the stock market. This trend has already started to emerge, as evidenced by observations on shorter timeframes.

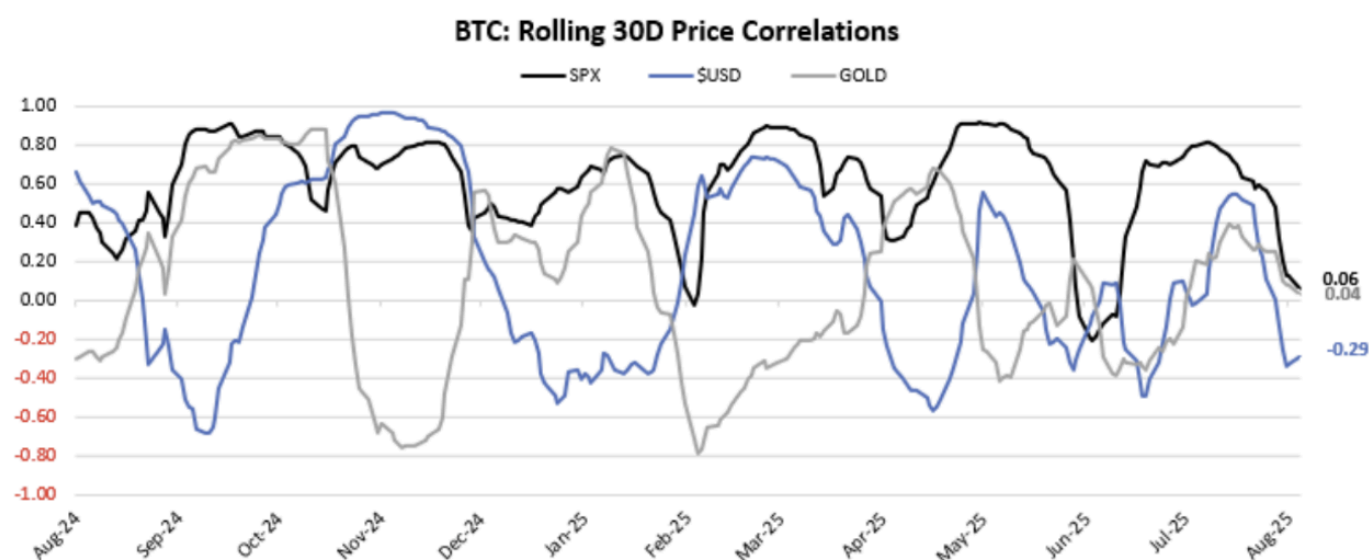


Chart 2. Bitcoin Correlation with Key Indices on 30-Day Timeframes

Source: [The Block](#)

U.S. ETF FLOWS

BTC ETF FLOWS, \$Millions												
TOTAL	58,122	11,916	2,258	2,067	127	295	252	1,194	41	-23,921	1,710	54,060
Date	IBIT	FBTC	BITB	ARKB	BTCO	EZBC	BRRR	HODL	BTCW	GBTC	BTC	TOTAL
8/25/2025	63.4	65.6	15.2	61.2	0.0	0.0	0.0	6.3	0.0	0.0	7.4	219
8/22/2025	-198.8	50.9	12.7	65.7	0.0	13.5	0.0	26.4	0.0	6.4	0.0	-23
8/21/2025	-127.5	-31.8	0.0	-43.3	0.0	3.2	0.0	0.0	0.0	0.0	5.0	-194
8/20/2025	-220.0	-7.5	0.6	-75.7	0.0	0.0	0.0	0.0	0.0	-9.0	0.0	-312
8/19/2025	0.0	-246.9	-86.8	-63.3	0.0	-3.3	-4.3	0.0	0.0	-115.5	-7.5	-528
8/18/2025	-68.7	0.0	12.7	-65.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-122
8/15/2025	114.4	0.0	0.0	-46.7	0.0	0.0	0.0	0.0	0.0	-81.8	0.0	-14
8/14/2025	523.7	-113.5	-30.9	-149.9	0.0	0.0	0.0	-5.9	0.0	0.0	7.3	231
8/13/2025	0.0	26.7	7.3	36.6	4.9	0.0	0.0	0.0	0.0	0.0	11.4	87
8/12/2025	111.4	0.0	0.0	-23.9	0.0	0.0	0.0	0.0	0.0	-21.6	0.0	66
8/11/2025	138.2	13.0	5.2	0.0	0.0	0.0	0.0	0.0	0.0	7.5	14.2	178
8/8/2025	360.0	30.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.4	404

Table 6. Bitcoin ETF Inflows/Outflows, \$mn

Source: [Farside](#)

At present, the crypto industry has ceased to be a market driven solely by retail speculators. With the emergence of products that provide real value and create a competitive environment for the traditional financial system, the crypto market has become attractive to institutional players and professional participants, being perceived as an asset class for portfolio diversification.

Following the Trump administration's arrival to power, a number of legislative initiatives were introduced:

- **GENIUS Act** (Guiding and Establishing National Innovation for U.S. Stablecoins), establishing rules for stablecoins, signed on **July 18, 2025**;
- **CLARITY Act** (Clarifying Crypto and Digital Asset Markets), allocating oversight of digital assets between the **CFTC** and the **SEC**, passed by the House of Representatives on **July 17, 2025**, and awaiting Senate consideration.

The strengthening of the regulatory framework has opened opportunities for large financial institutions to develop their own blockchain-based solutions and invest in their growth, which has had a positive impact on the market. Moreover, increasing regulation boosts confidence among investors and reinforces expectations for further development of the cryptocurrency sector. Since Bitcoin remains the key asset for such investors, we are observing positive dynamics in Bitcoin ETFs .

Supply Analysis and Psychological Levels

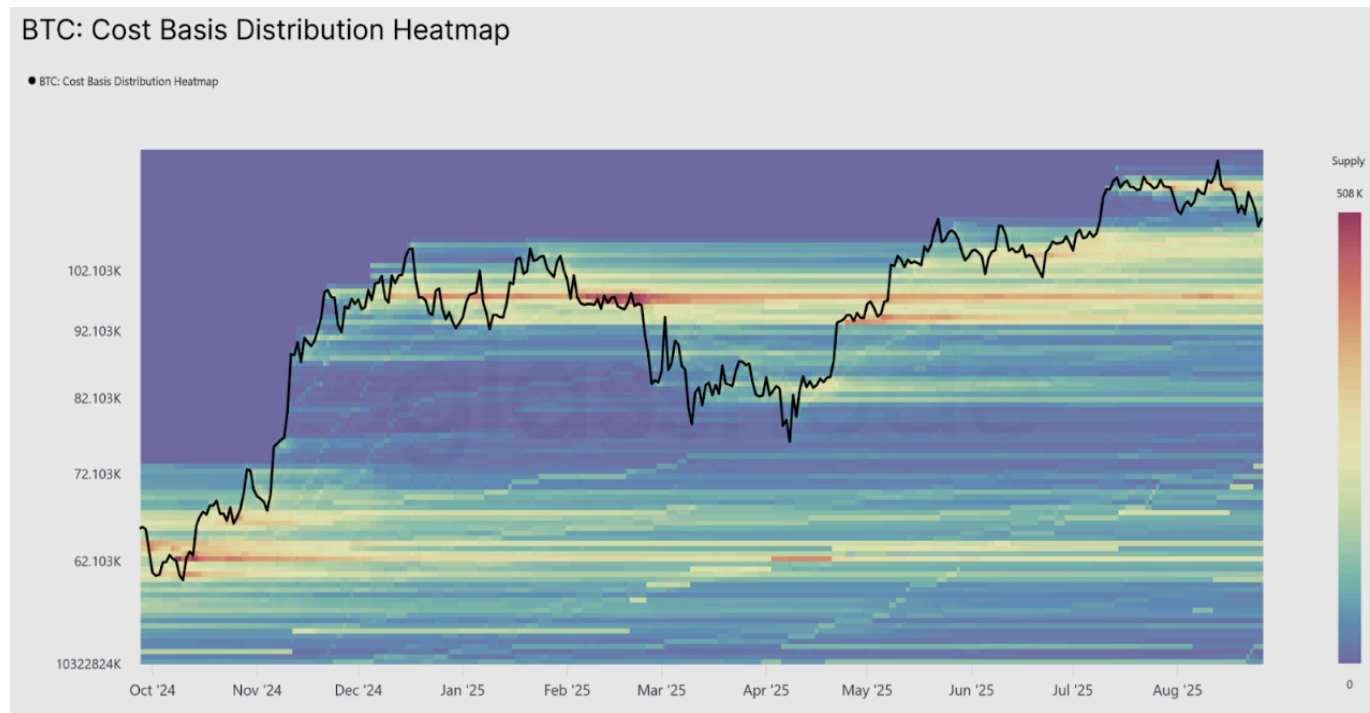


Chart 3. Heatmap of BTC Acquisition Price Distribution, \$k

Source: [Glassnode studio](#)

The heatmap illustrates the concentration of supply across different acquisition prices, highlighting the price ranges where significant volumes of coins last changed hands. Each color band reflects dense cost-basis zones that often act as natural levels of support or resistance.

At present, Bitcoin is consolidating near the **\$111,000** level. The recent correction facilitated the redistribution of supply at lower prices, gradually forming a more resilient market structure. A large volume of coins is concentrated in the **\$93,000–110,000** range, where accumulation has been observed since December 2024. This range is acquiring the characteristics of a potential price “floor,” capable of providing support in the event of further declines.

The resilience of prices above **\$110,000** is largely explained by this accumulation. Breaking out of this range would require either significant short-term selling pressure or a prolonged demand shortfall sufficient to trigger capitulation among some holders.

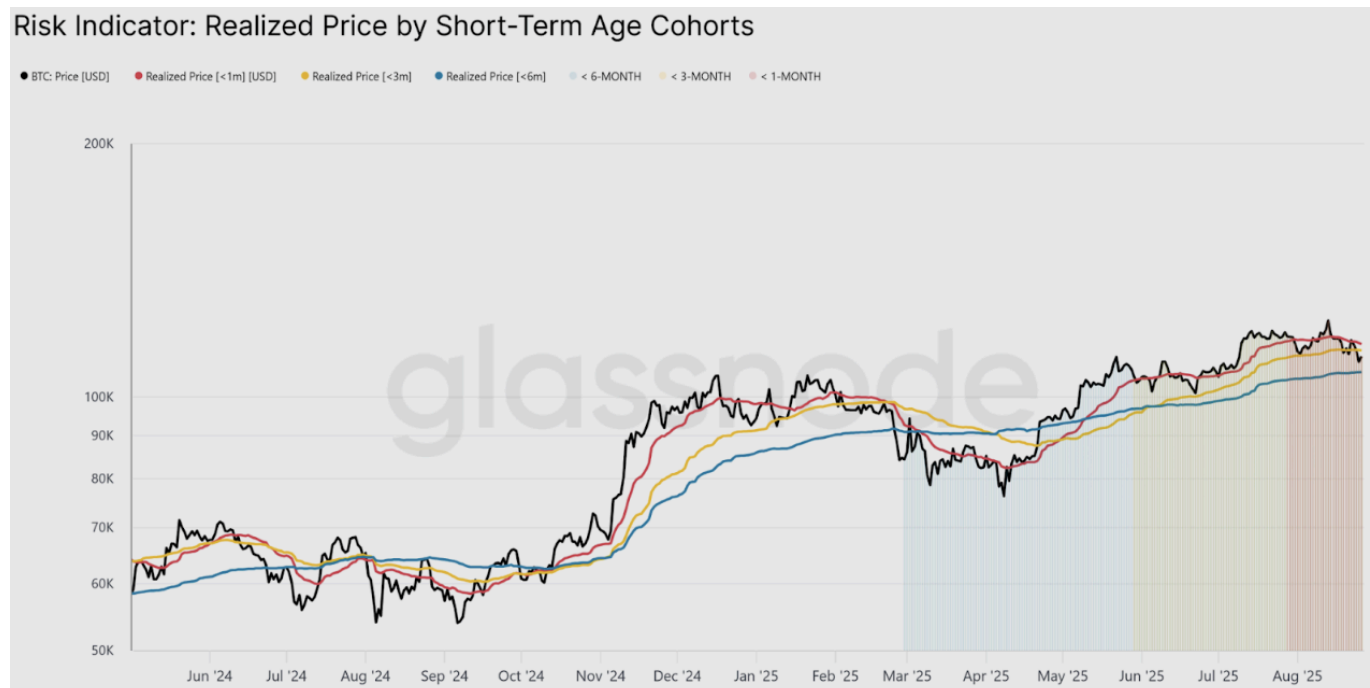


Chart 4. Average Purchase Price of the Asset by Short-Term Holders, \$k

Source: [Glassnode studio](#)

For a more comprehensive understanding of market motivation, we also consider the average acquisition price of recent buyers. This metric reflects the average purchase price of coins acquired over the past **1–6 months** and serves as a psychological reference point. When the market price falls below this level, it often indicates that new holders are in an unrealized loss, which may trigger asset sales.

Currently, Bitcoin is trading **below the average acquisition price of both the 1-month cohort (\$115,600) and the 3-month cohort (\$113,600)**, creating stress for these investors. Any short-term rally is likely to encounter resistance, as short-horizon holders seek to exit at breakeven levels.

More critically, the **6-month average price is around ~\$107,000**. A sustained drop below this level could trigger panic selling, accelerating a decline toward the lower boundary of the supporting supply cluster highlighted in the heatmap.

If the current weakness persists and the price continues to trade below the average acquisition price of short-term holders (~\$108,900), caution should be exercised when considering new purchases. In past cycles, such breakdowns often preceded multi-month bearish phases, during which new investors capitulated under the pressure of mounting unrealized losses.

Evaluating this risk within the framework of 4-year cycles, previous drawdowns typically reached their bottoms around **one standard deviation below the average purchase price of short-term holders**. For the current cycle, this lower boundary is estimated at ~\$95,100. Thus, if Bitcoin fails to recover above the **\$107,000–108,900** threshold, the medium-term bottom formation range is most likely within the **\$93,000–95,000** zone.

Historical Dynamics and Off-Chain Analysis



Chart 5. Bitcoin Drawdown from All-Time High, \$k

Source: [Glassnode studio](#)

To assess whether the current decline could be a precursor to a bear market, we turn to historical statistics from previous years when the market entered prolonged correction phases. Historically, bear markets were accompanied by sharp price declines, which either resulted in temporary “flush-outs” or full capitulation crashes.

At present, the recent drop to \$110,100 represents a decline of about 11.4% from the all-time high of \$124,000. This is a relatively modest retracement compared to prior mid-cycle bearish phases, where declines typically exceeded 25%, or deep cyclical bottoms, where losses surpassed 75%.

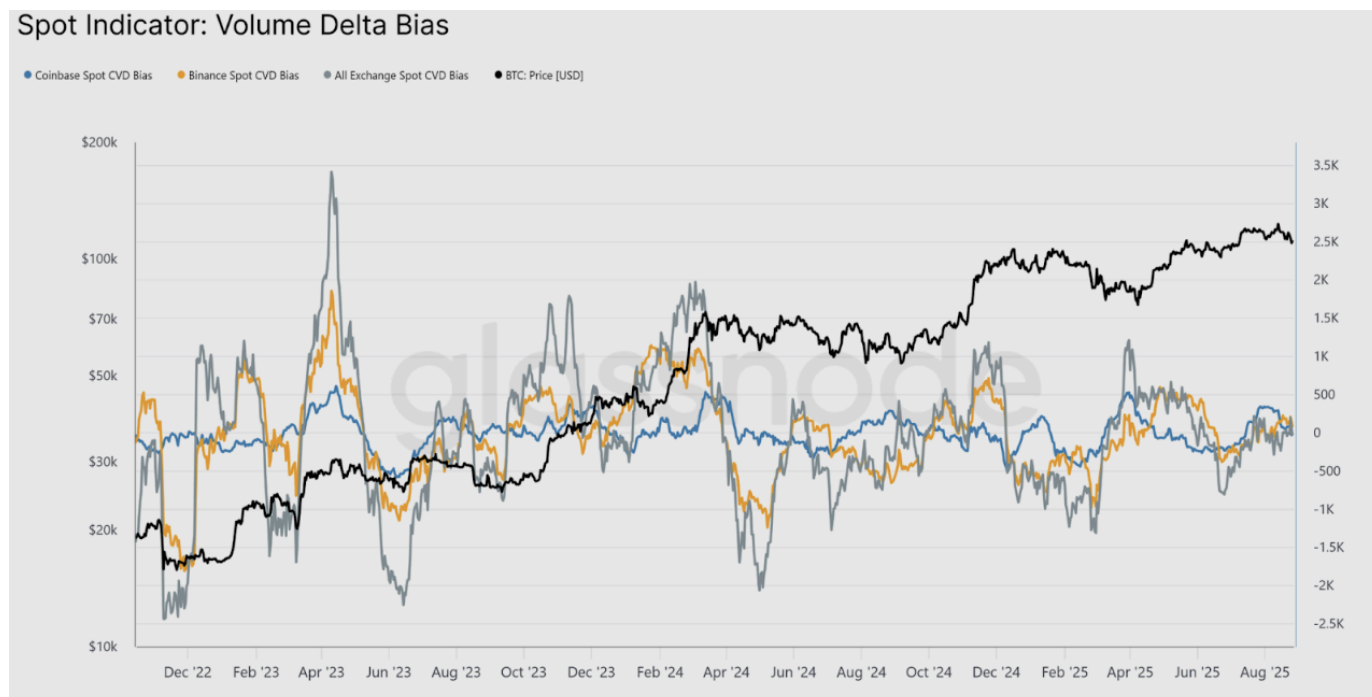


Chart 6. Cumulative Volume Delta (CVD): Difference Between Buyer- and Seller-Initiated Trades

Source: [Glassnode studio](#)

After outlining the statistical boundaries of potential price movements through on-chain* analysis, we can turn to off-chain* data to evaluate market sentiment via exchange order books. A useful tool here is the Cumulative Volume Delta (CVD), which tracks the net difference between buyer-initiated and seller-initiated trades, summing this imbalance into a cumulative signal.

To assess shifts in spot market behavior, we compare the 30-day moving average of CVD with its 180-day median. On major exchanges such as Coinbase and Binance, as well as across aggregated flows, this indicator has recently approached zero. This marks a notable change from the strong buying pressure seen in April 2025, which supported the rebound from \$72,000. While a modest positive spike in July helped fuel the rally to \$124,000, the broader trend now reflects neutralization of sentiment in the spot market, indicating waning buyer confidence at current levels.

*On-chain – operations or data that are recorded and verified directly on the blockchain.

*Off-chain – operations or processes that take place outside the blockchain.

On-Chain Metrics

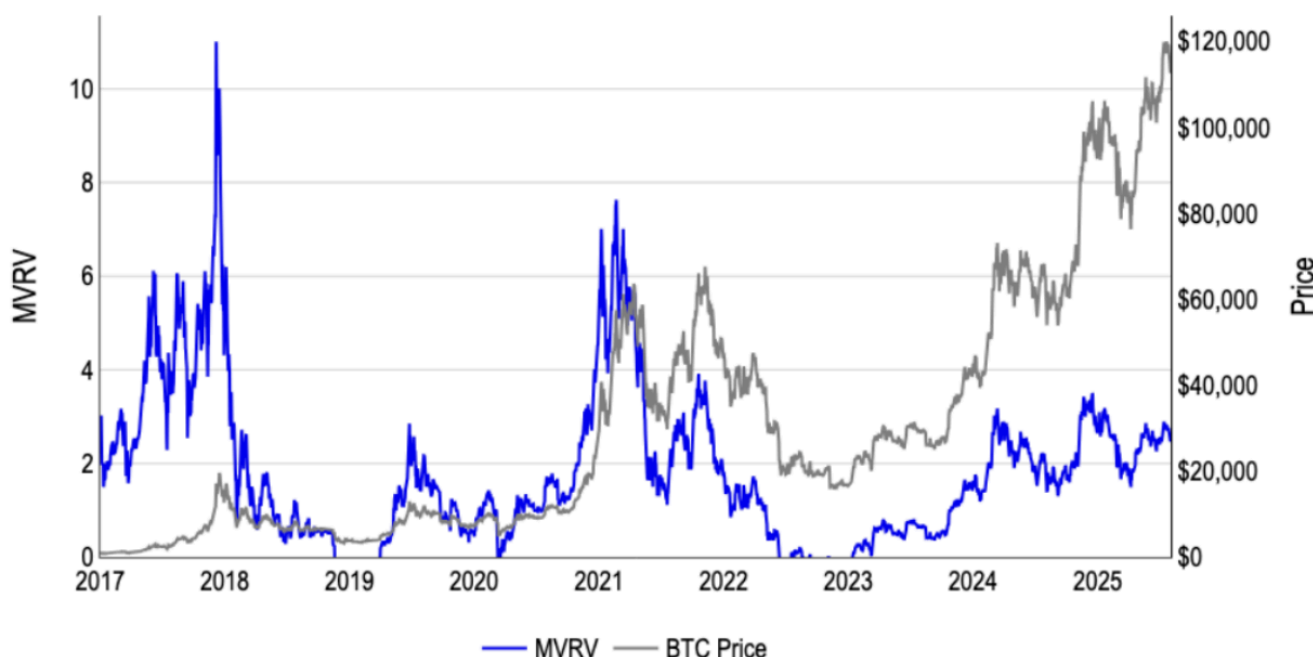


Chart 7. Market Value to Realized Value (MVRV) Ratio

Source: [CryptoQuant](#)

The **MVRV ratio**, which compares the market value of all coins to their acquisition cost (calculated as market capitalization ÷ realized capitalization), shows whether coins are in aggregate profit or loss for current holders. An **MVRV of ~2.5** suggests that the average coin is in profit, though unrealized gains remain below the levels seen at prior speculative peaks (**>3.0**). This indicates that broad profit-taking pressure is not yet present, but further price increases could trigger some profit realization.s.

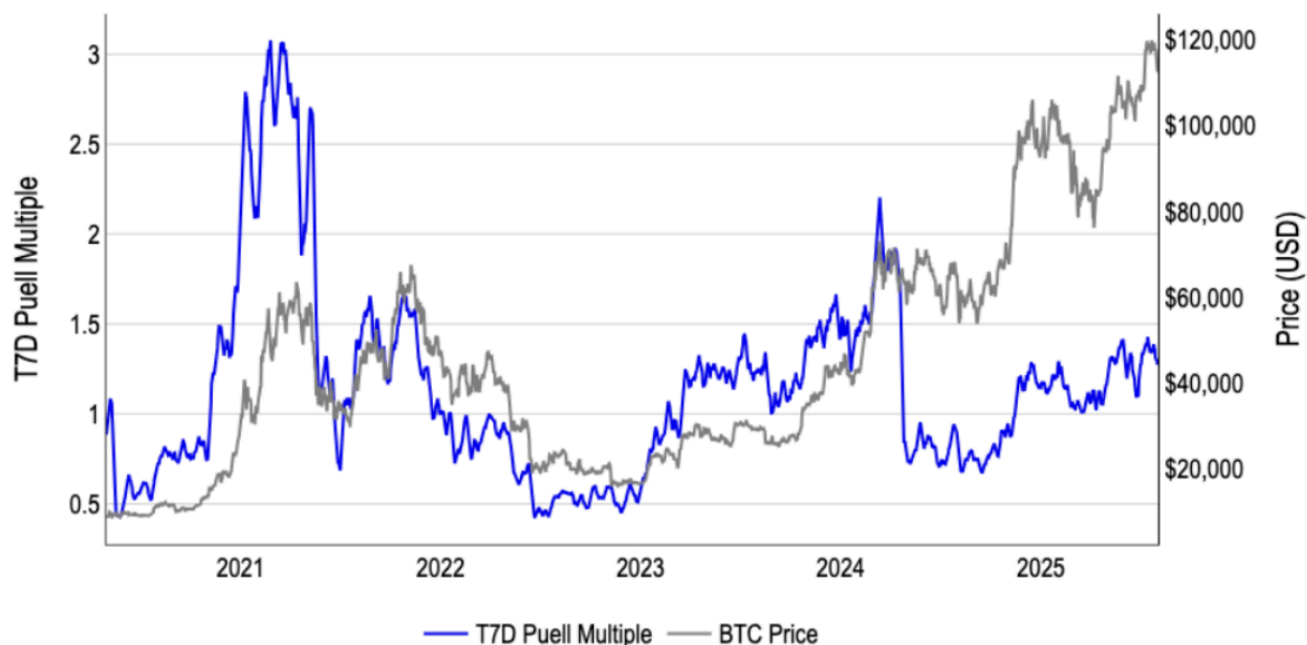


Chart 8. Puell Multiple (PM)

Source: [Glassnode studio](#)

At the same time, the Puell Multiple of 1.3 – calculated as daily miner revenue (in USD) ÷ 365-day average revenue – indicates whether miners are earning temporary windfall profits that typically incentivize aggressive selling. A value of 1.3 suggests miners are earning stable cash flows but not excess profits (>1.5), which usually drive heavy coin distribution

Conclusion

Bull Case

Bitcoin demonstrates sustained growth and emerges as an attractive investment amid favorable regulatory developments in the U.S., institutional inflows into ETFs, and strong performance relative to macro assets such as the S&P 500 and GOLD. In this scenario, the asset could establish itself as a core component in investor portfolios, supporting a long-term upward trend.

Base Case

Bitcoin continues to trade within a range, facing pressure near the \$111,000 level and testing critical support. A breakdown below the average acquisition price of short-term holders (~\$107,000) could trigger a correction toward the \$93,000–\$95,000 range. Against this backdrop, investors tend to exercise caution, limiting position sizes and awaiting clearer confirmation of trend direction.

Bear Case

Under adverse conditions—such as heightened volatility, excessive use of leverage, or external market shocks—Bitcoin could undergo a deeper correction. Historical drawdowns highlight the potential for declines below key support levels, which would hinder the resumption of a broader bullish trend in the near term.

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