

2025 Crypto Market Review and 2026 Outlook

2025/01/01 - 2025/12/31

Gateway to Crypto

Abstract

- In 2025, the total crypto market cap showed a clear “decline–rebound–pullback” pattern: stabilizing and recovering in the first half, peaking around Q3, then retreating to its annual midpoint in Q4 as risk appetite cooled.
- On-chain perpetuals continued to scale, with improving liquidity and user experience driving capital inflows and growing consensus around the sector’s scalability.
- Prediction markets and crypto payments expanded in parallel: prediction market volume surpassed \$10 billion, evolving into a signal layer for macro, policy, and sports outcomes, supported by 2026 World Cup expectations; crypto payments gained momentum via stablecoin settlement and cross-border demand.
- Web3 saw nearly 1,000 deals totaling about \$34.9 billion, with capital concentrating on CeFi, blockchain services, and DeFi with clearer business models.
- Despite fewer security incidents, larger single losses highlighted systemic risks in contract design and governance.
- Looking ahead to 2026, Bitcoin ownership is increasingly concentrated among institutions and custodians, reducing marginal sell pressure and enhancing market stability.

Category

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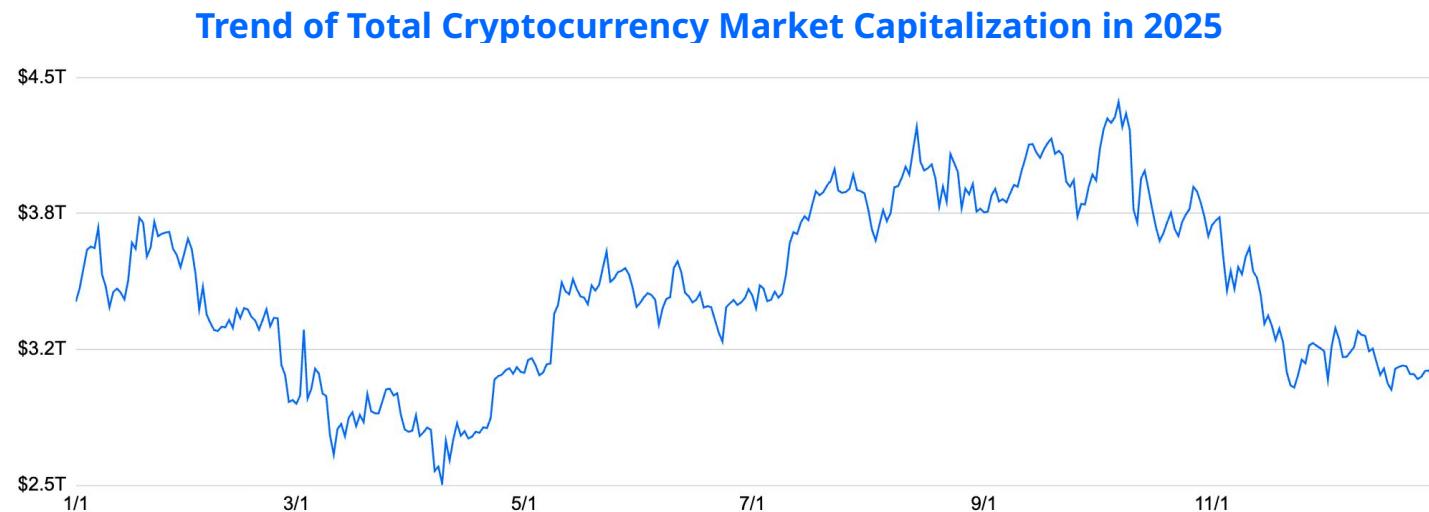
03 Hot Topics

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2026 Outlook

01 Performance

01 Cryptocurrency Market Capitalization Trends

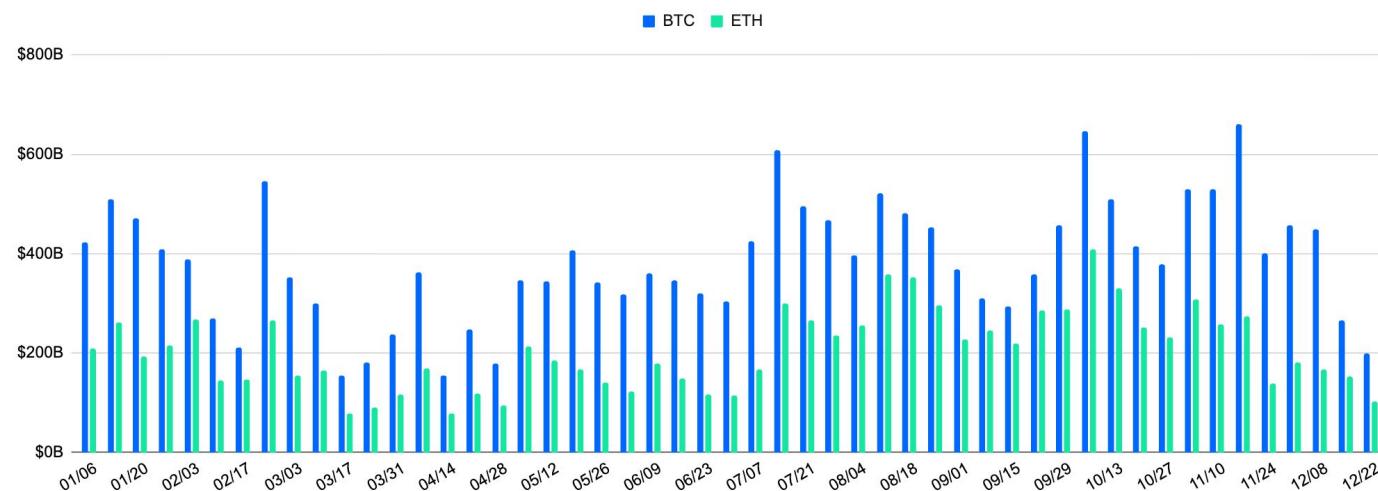
In 2025, total crypto market capitalization showed a clear decline-rebound-pullback pattern. After stabilizing in H1, it recovered and peaked around Q3. In Q4, cooling risk appetite led to a notable correction back to the annual mid-range. Overall, the market remains in consolidation, with no clear trend reversal yet.



02 BTC and ETH Daily Trading Volume Trends

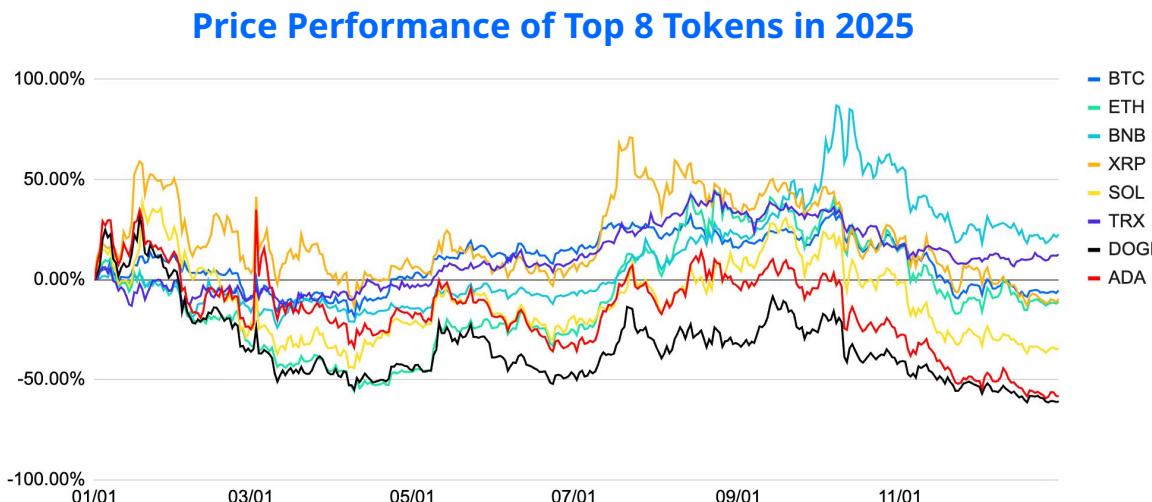
Weekly trading volumes of BTC and ETH showed clear cyclical fluctuations, with higher activity in early and mid-year and pullbacks during correction phases. In the second half, rising volatility drove multiple BTC volume spikes near local highs, signaling stronger participation and capital competition. ETH volumes broadly tracked BTC but remained smaller in scale.

BTC and ETH Trading Volume



03 Price Performance of Top 8 Tokens

In 2025, performance among the top eight cryptocurrencies by market cap diverged sharply. Only BNB and TRX posted positive returns, while most major tokens ended the year lower. BTC and ETH saw relatively limited declines, whereas DOGE and ADA performed the worst, with losses exceeding 50%. Overall, capital clearly favored more defensive and relatively stable assets, while high-beta tokens faced significant pressure.



Token	Price Change
BTC	5.59%
ETH	-3.95%
XRP	20.08%
BNB	3.79%
SOL	5.99%
DOGE	9.99%
TRX	-1.11%
ADA	-0.56%

04 BTC Price Trend and Price Increase

BTC showed a rise-then-fall pattern over the year. In the first half, improving risk appetite drove a rally of over 30%, but momentum weakened after Q3 and gradually turned into a pullback. In Q4, cooling market sentiment and rising selling pressure erased earlier gains, briefly pushing BTC into negative territory. Overall, BTC's performance reflects a clear pullback from highs and remains in a choppy, bottom-seeking and trend-repair phase.



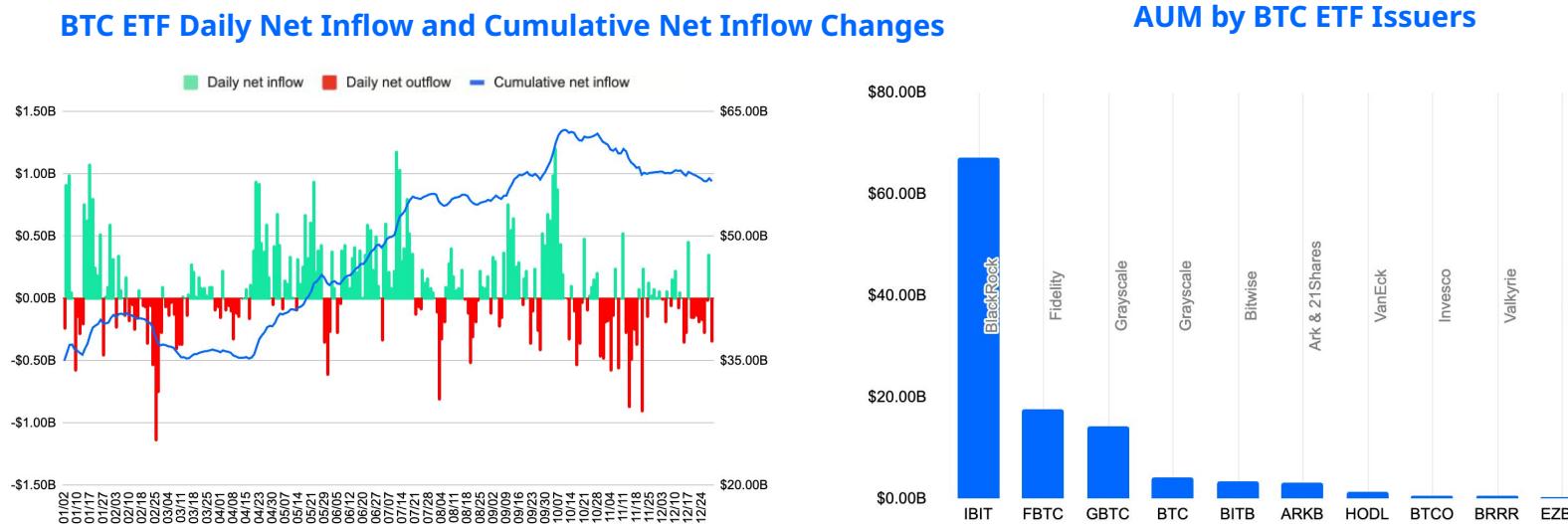
Gate Research, Data from: Gate

BTC Price Change



05 BTC ETF Daily and Cumulative Net Inflow Total

In 2025, BTC ETF flows showed clear net inflows in early and mid-year, lifting cumulative inflows toward cyclical highs. In the second half, daily flow volatility increased, net outflow days rose, and cumulative growth slowed, signaling more cautious institutional sentiment. Issuer AUM is highly concentrated, with IBIT clearly leading and a strong head-tier effect.



06 ETH Price Trend and Price Increase

In 2025, ETH followed a clear “down-up-down” pattern. It saw a near-50% drawdown in H1, rebounded into positive territory mid-year, and reached 30–40% gains in Q3. In Q4, gains were largely erased as markets weakened. Overall volatility exceeded BTC, with ETH still basing and lacking a clear near-term uptrend.



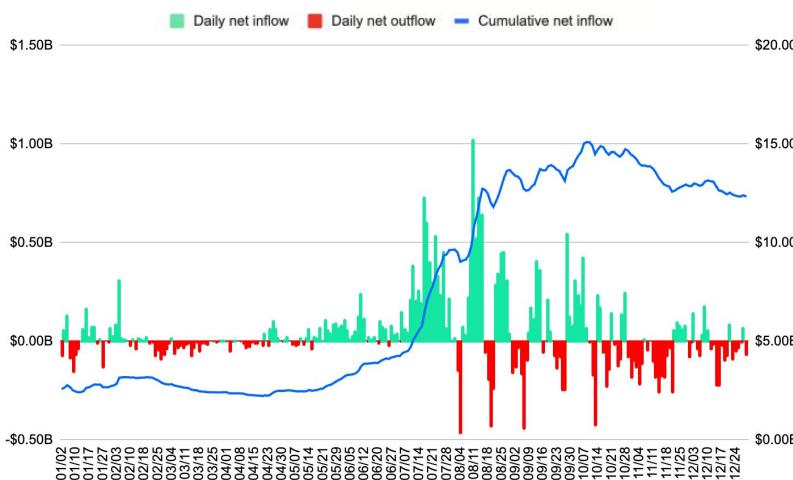
ETH Price Change



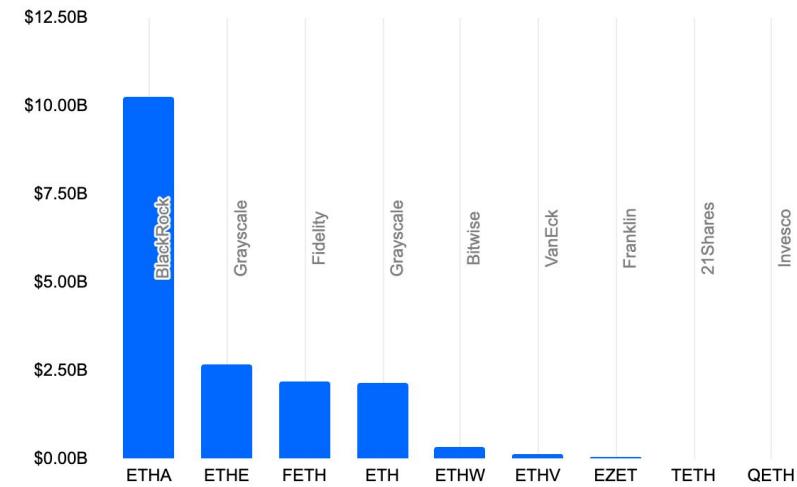
07 ETH ETF Daily and Cumulative Net Inflow Total

In 2025, ETH ETF flows were weak in H1, then turned into clear net inflows mid-year as markets recovered, lifting cumulative AUM. In Q4, outflow days increased and cumulative inflows declined, signaling more cautious institutional sentiment. AUM remains highly concentrated, with ETHA clearly leading other products.

BTC ETF Daily Net Inflow and Cumulative Net Inflow Chang



AUM by ETH ETF Issuers

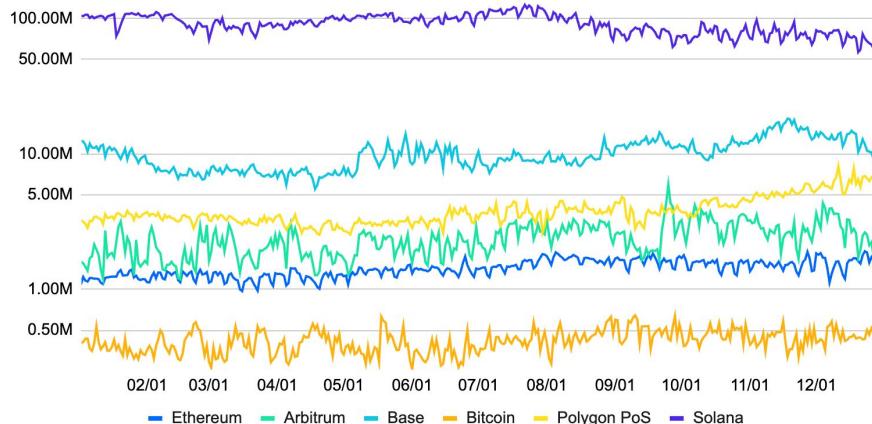


02 On-chain Data

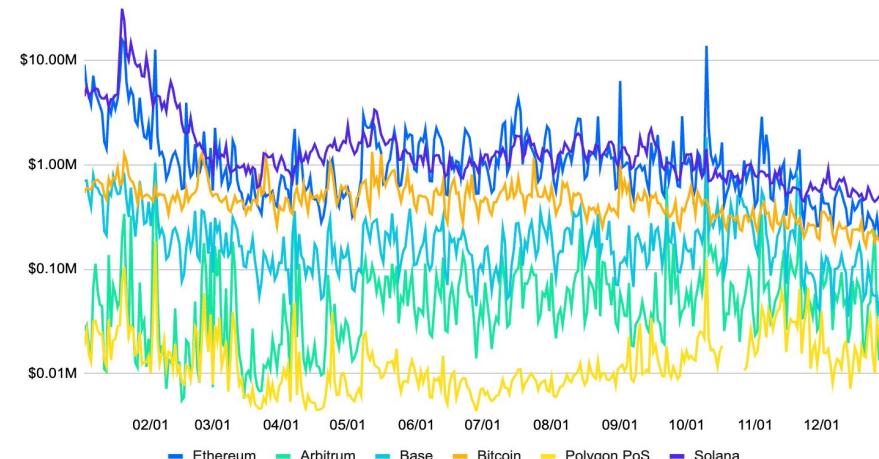
01 Major Chains: Daily Transaction & Gas Fee Analysis

In 2025, Solana continued to lead all networks in daily transactions, though activity fluctuated at high levels with a mild decline. Base and Polygon PoS saw steady growth, while Ethereum and Arbitrum remained range-bound. Daily gas fees peaked mid-year before easing, signaling a gradual cooldown in on-chain activity toward year-end.

Daily Transaction Volume Trends

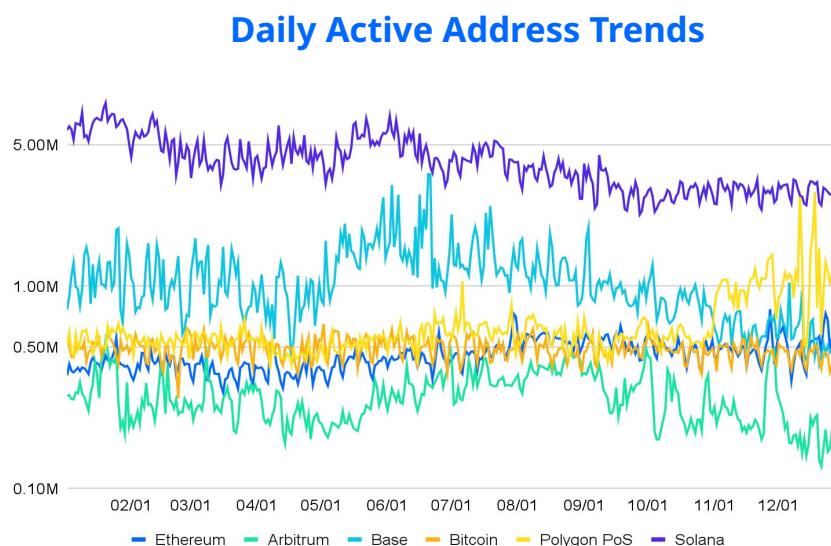


Daily Total Gas Fee Trends



02 Major Chains: Active Address Status

In 2025, Solana continued to lead in daily active addresses, though activity hovered at high levels with a slight decline. From November to December, Polygon PoS and Ethereum saw clear rebounds, while Arbitrum and Base eased. Overall, on-chain activity showed structural divergence, concentrating on top networks with limited incremental momentum.

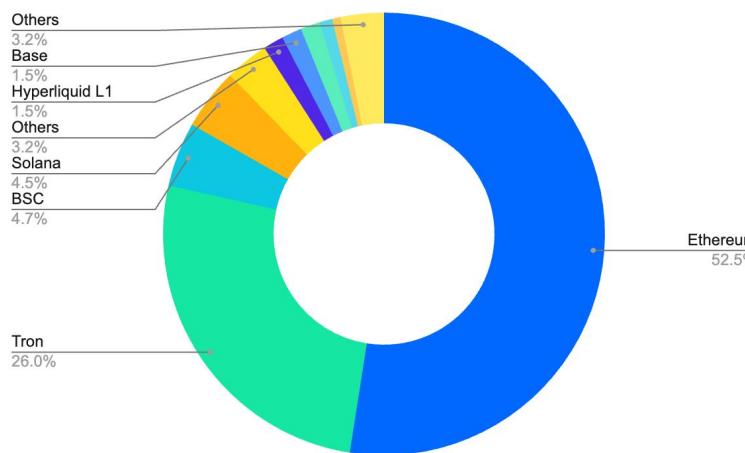


Chains	Daily Active Addresses in November	Daily Active Addresses in December	MoM Growth Rate
Ethereum	485,143	552,766	13.94%
Arbitrum	259,298	186,134	-28.22%
Base	617,115	566,326	-8.23%
Bitcoin	477,565	456,927	-4.32%
Polygon PoS	1,017,179	1,218,910	19.83%
Solana	2,952,556	2,954,508	0.07%

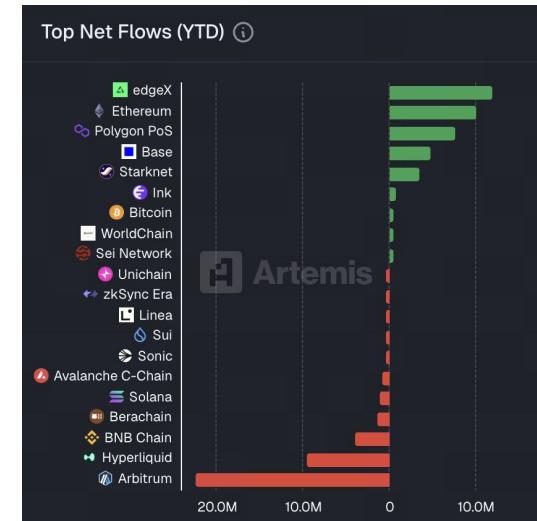
03 Major Chains: Stablecoin Inflow

Stablecoin market caps remain highly concentrated, with Ethereum and Tron accounting for over 70% combined. In 2025 net TOP20 flows, some emerging networks and the Ethereum ecosystem saw clear inflows, while Arbitrum and BNB Chain recorded outflows. Overall, capital is concentrating in a few narrative- and activity-driven networks, intensifying inter-chain divergence.

Stablecoin Market Share Across Major Blockchains



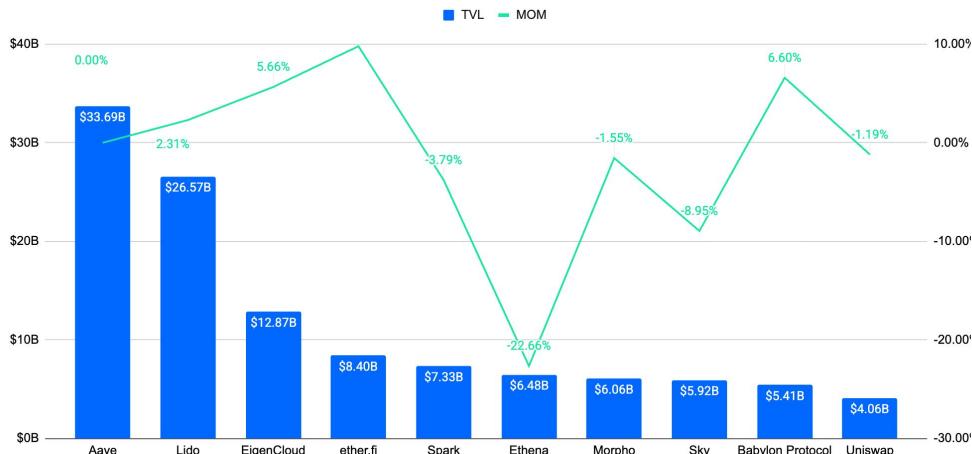
Top 20 Networks: Cumulative Capital Inflows & Outflows



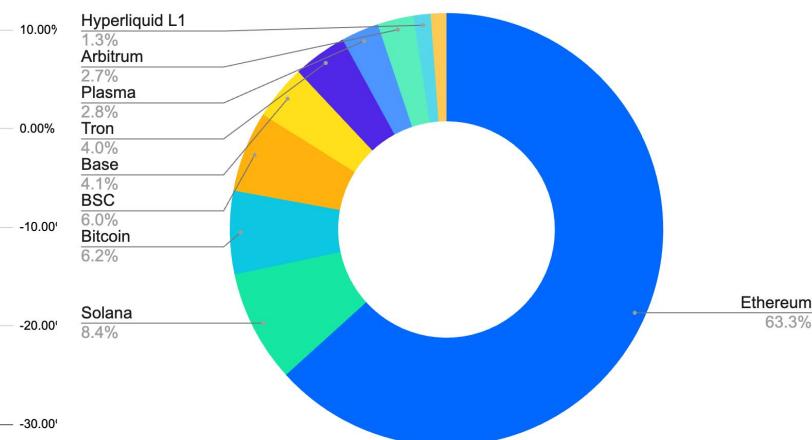
04 DeFi: Top 10 Protocols and Blockchains by TVL

From the distribution of DeFi TVL, concentration among leading protocols remains high, with Aave and Lido clearly ahead and a noticeable gap to the rest. Over the past month, some protocols saw meaningful TVL declines, as capital rotated among top and a few strong players. By chain, Ethereum remains dominant, reflecting a DeFi landscape marked by head concentration and structural divergence.

Top 10 DeFi Protocols



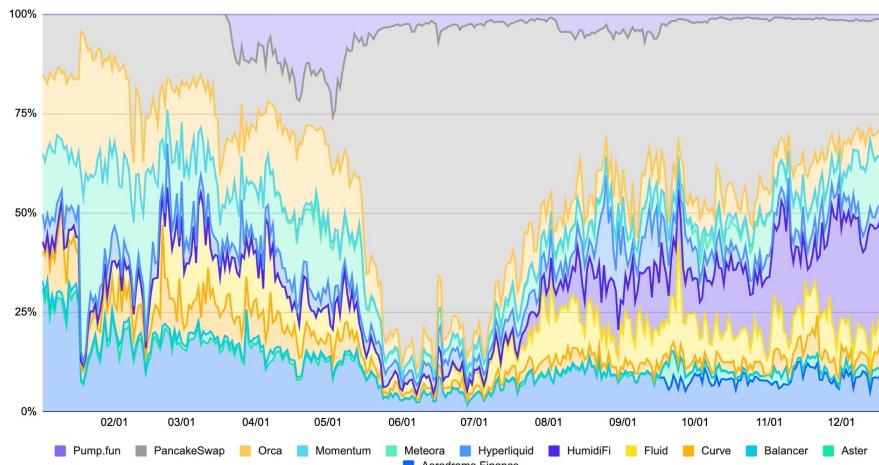
DeFi TVL Distribution by Blockchain



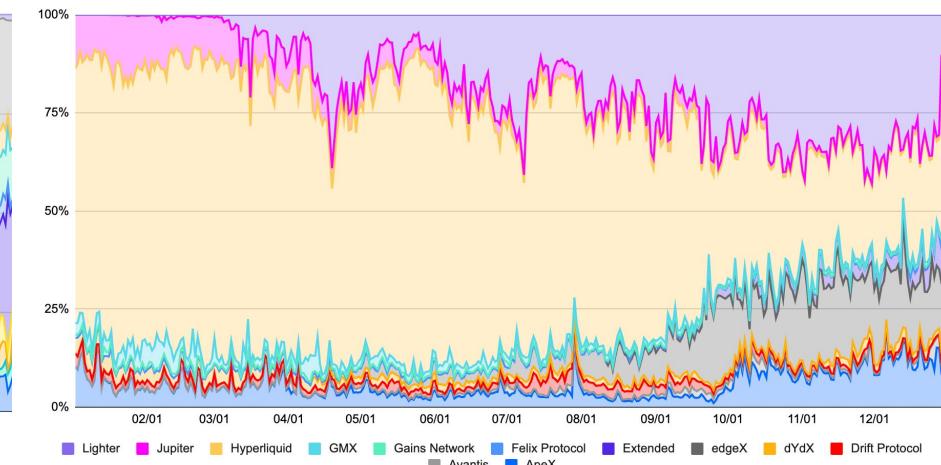
05 DeFi: DEX & Perpetual DEX Daily Volumes

From the 2025 structure of DEX spot and perpetual volumes, activity declined in the first half and bottomed mid-year, then recovered in the second half as market conditions improved. Both spot and perpetual markets are dominated by leading platforms, indicating high concentration. Overall, DEX trading activity is closely tied to market volatility, showing a clear “down-then-up” cyclical pattern.

DEX trading volume



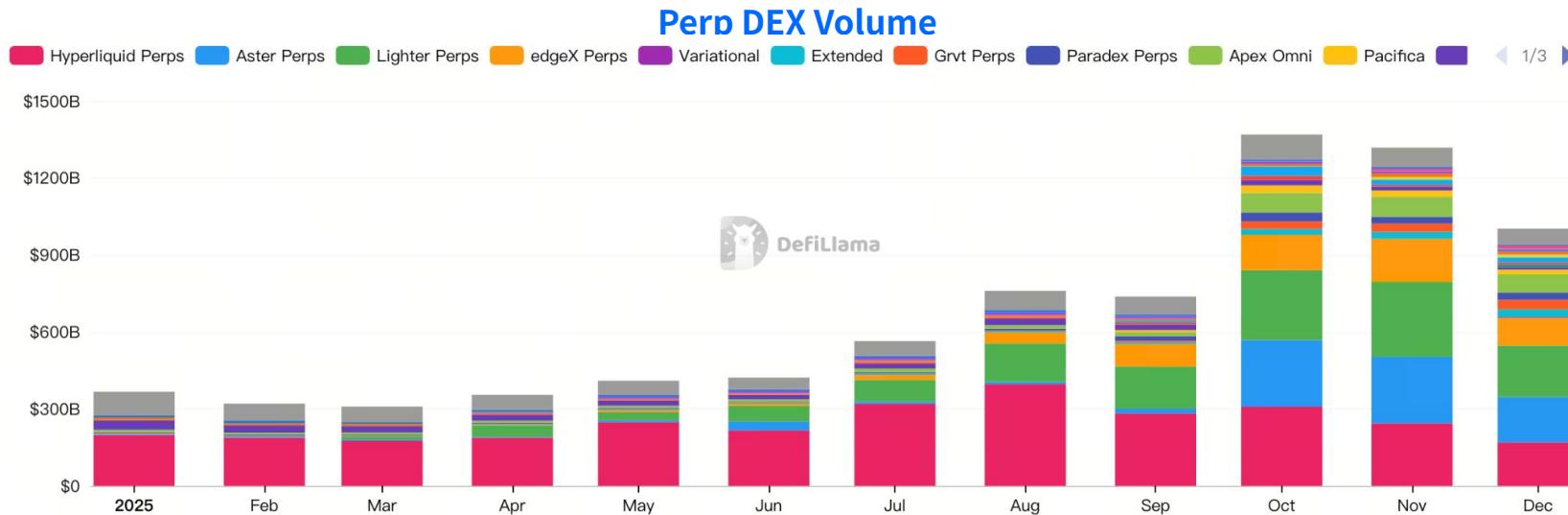
Perp DEX trading volume



03 Hot Topics

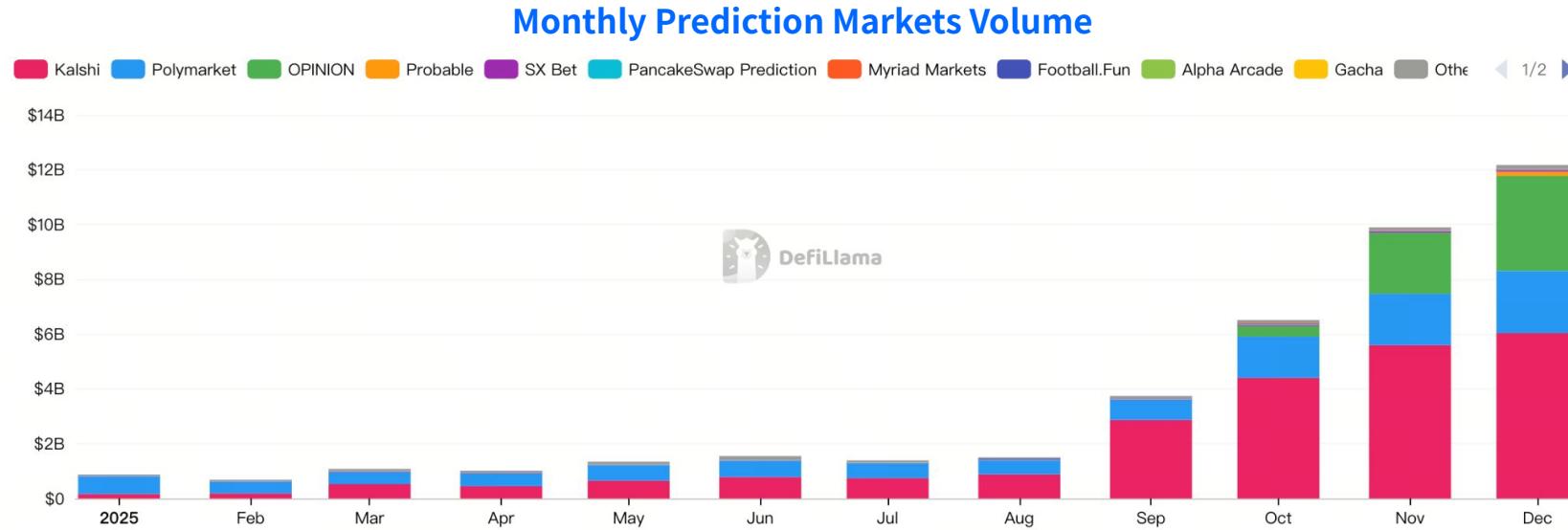
01 Perp DEX Accelerates Growth

Perp DEX trading volume grew steadily in 2025, becoming a core segment of the crypto market. The rise of Hyperliquid boosted on-chain liquidity and trading experience, proving on-chain perpetuals are feasible. New protocols expanded rapidly, driven by incentives and airdrop expectations, increasing both activity and capital. Projects like Aster and Lighter created strong wealth effects, reinforcing confidence in the scalability and replicability of Perp DEX models.



02 Prediction Markets Level Up: The Signal Layer

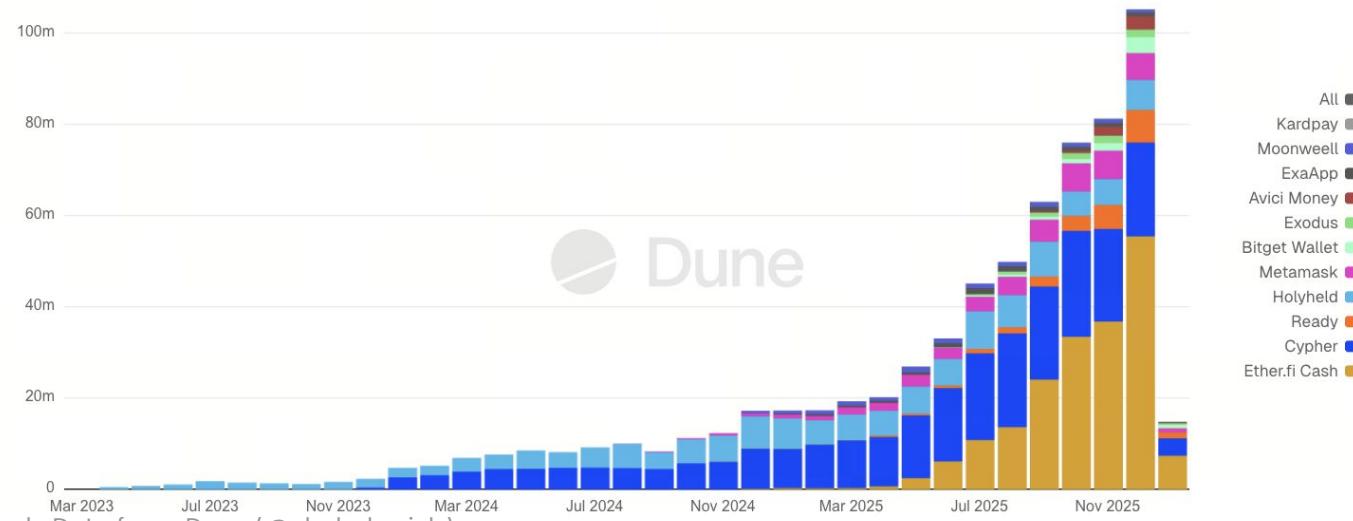
Prediction markets are entering a rapid expansion phase in 2025, with primary market valuations rising and monthly trading volumes surpassing \$10 billion. Protocols such as Polymarket, Kalshi, and Opinion are evolving from event-based trading tools into a Signal Layer that prices macro, policy, and sports outcomes. Looking ahead, the 2026 World Cup could serve as a major growth window for prediction markets.



03 Crypto Payment Cards Gain Traction

Crypto payment card transaction volumes set new highs for 12 consecutive months in 2025. Unlike the fast-moving trading sector, payment scenarios evolve more slowly but are stickier, driven mainly by the combined demand for cross-border payments, everyday spending, and on-chain settlement. Stablecoin-based payment card products are becoming a key channel for moving stablecoins from “on-chain assets” to “real-world money.”

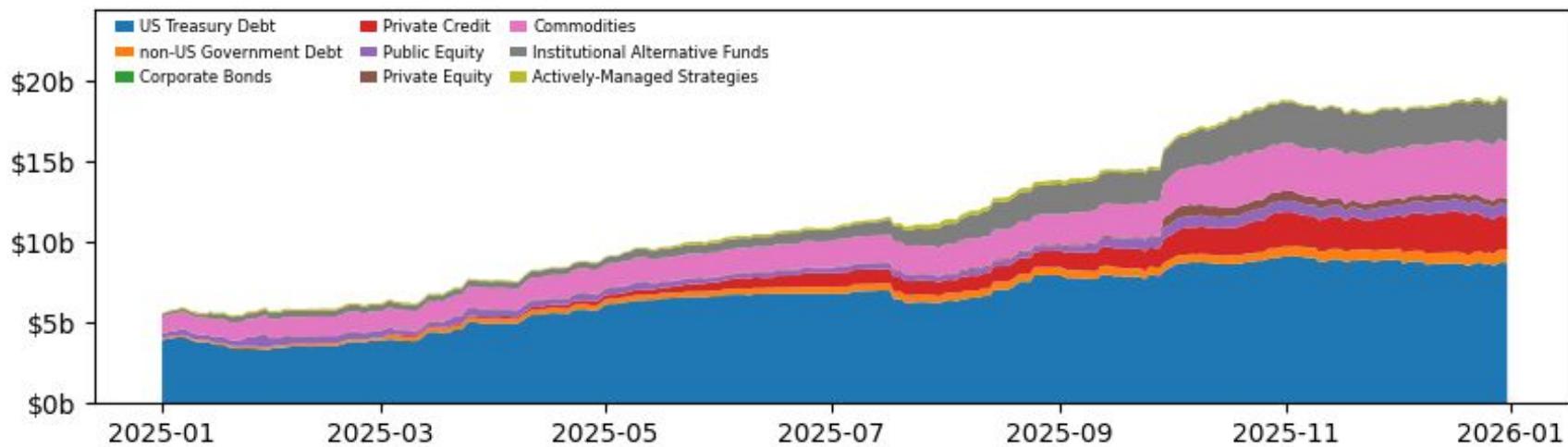
Monthly Spending on Crypto Cards



04 RWA Expansion Surpasses \$10 Billion

RWA continued rapid expansion in 2025, adding over \$10 billion in new tokenized assets and emerging as a reliable on-chain growth area. Yield-bearing assets like U.S. Treasuries and gold-based commodities drove most of this growth, reflecting institutional demand for interest-bearing, priceable, and compliant on-chain assets. Equity tokenization also expanded dozens of times from a small base, validating the feasibility of bringing equities on-chain.

RWA Scale

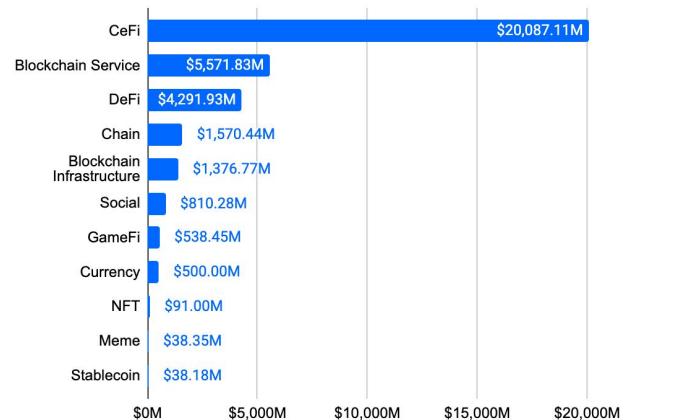


04 Projects Financing

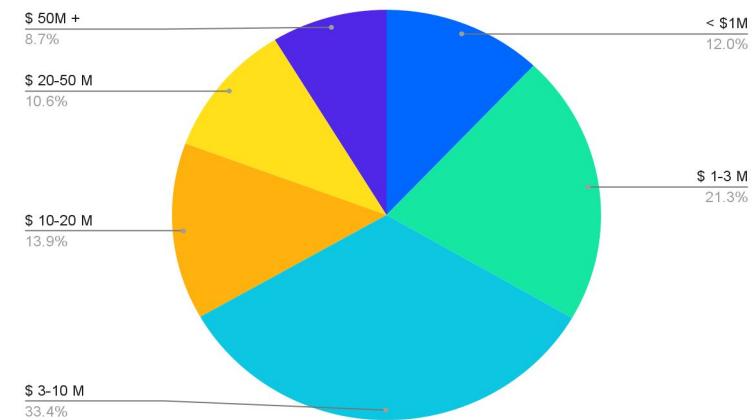
01 Web3 Projects Financing

In 2025, the Web3 sector completed nearly 1,000 financings totaling around \$34.9 billion, excluding M&A and IPOs, with capital selectively concentrated in a few high-certainty sectors. CeFi, blockchain services, and DeFi attracted the most investment, reflecting a preference for business models with clear revenue and cash flow potential, while gaming, social, and narrative-driven sectors saw weaker activity.

Total Funding Amount for Web3 Projects



Distribution of Web3 Project Funding Scale



02 Top 10 Web3 Financing Projects

In 2025, the top ten Web3 financings totaled over \$26 billion, with capital highly institutionalized and concentrated in M&A and IPOs. Dunamu led the list with a \$10.3 billion acquisition, while Circle and Bullish completed large-scale fundraising through IPOs.

Top 10 Financing Projects in November

Project Name	Round	Amount	Date	Overview
Dunamu	M&A	\$10.3B	11/26	Upbit's parent company
Deribit	M&A	\$2.9B	05/08	Options exchange
Strategy	IPO	\$2.47B	07/29	Bitcoin treasury public company
Polymarket	Strategic	\$2B	10/07	Prediction market
Binance	Undisclosed	\$2B	03/12	Crypto exchange
Forward Industries	PIPE	\$1.65B	09/08	Solana treasury public company
NinjaTrader	M&A	\$1.5B	03/20	Futures trading platform
Hidden Road	M&A	\$1.25B	04/08	Global credit network for institutional investors
Bullish	IPO	\$1.11B	08/13	Hybrid crypto exchange
Circle	IPO	\$1.11B	06/04	Stablecoin issuer

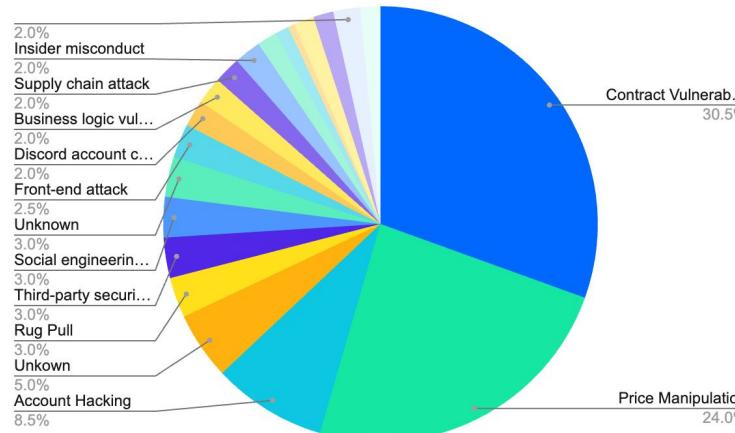
05

Security Incidents

01 Web3 Security Incidents

In 2025, the Web3 sector reported around 200 security incidents, with total losses reaching \$2.935 billion. Although the number of incidents fell significantly compared with 2024, total losses rose about 46% year-on-year, reflecting increasing concentration and severity of individual attacks. Contract vulnerabilities remained the primary security risk.

Distribution of Security Incident Types



Loss Amounts from Web3 Security Incidents



02 Ranking of Web3 Security Incident Losses

The following lists major security incidents in 2025 with losses exceeding \$10 million, ranked by amount: Bybit suffered a \$1.46 billion loss after its Safe multi-signature frontend and cloud infrastructure were exploited, making it one of the largest crypto security incidents in recent years. Overall, attacks in 2025 were highly concentrated on contract logic vulnerabilities, with individual incidents causing significantly greater damage.

Date	Projects	Hacking Details	Loss Amount
02/21	Bybit	Compromised Safe frontend and AWS, not Bybit core systems.	1,460,000,000
05/22	Cetus Protocol	Exploited Cork and beforeSwap to drain liquidity pools.	230,000,000
11/03	Balancer V2	Rounding bug in stable pool exact-out exploited.	121,100,000
06/18	Nobitex	Assets burned with political message after system breach.	90,000,000
01/23	Phemex	Hot wallet hacked, assets laundered via mixers.	70,000,000
04/01	UPCX	Admin rights abused to upgrade proxy and withdraw.	70,000,000
08/14	BtcTurk	Hot wallet failure led to rapid multi-chain asset drain.	54,000,000
02/24	Infini	Admin handover error enabled company fund theft.	50,000,000
07/19	CoinDCX	Social engineering stole credentials via keyloggers.	44,200,000
07/09	GMX	Keeper price and reentrancy flaws amplified short profits.	42,000,000

06 Future Events

01 Future Token Unlocks

The following are token projects with unlock amounts exceeding \$20 million in January 2026 (data as of December 30). Among them, ONDO has the largest unlock this round, with approximately \$643 million unlocked, accounting for about 54.3% of its circulating supply. Overall, this round of unlocks is concentrated in mid-to-large-cap projects with high unlock ratios, which may cause short-term price volatility or upward pressure.

Overview of High-Value Token Unlocks in November

Token	Market Cap	Circulation Volume	Percentage	Unlock Time	Unlock Amount
BEAT	\$308.68M	160.51M	13.24%	01/01	\$40.86M
POWER	\$64.65M	189.45M	88.70%	01/10	\$57.58M
RAIN	\$2.69B	339.61B	17.70%	01/10	\$475.82M
LAYER	\$52.43M	312.75M	40.10%	01/15	\$21.04M
ONDO	\$1.19B	3.15B	54.30%	01/17	\$642.94M
ZRO	\$308.21M	247.48M	13.18%	01/19	\$40.61M
PLUME	\$52.72M	3.13B	46.98%	01/20	\$24.68M

Gate Research, Data from: tokenomist; The table is token projects with unlock amounts exceeding \$10 million (data as of October 15).

02 Upcoming Events and Conferences

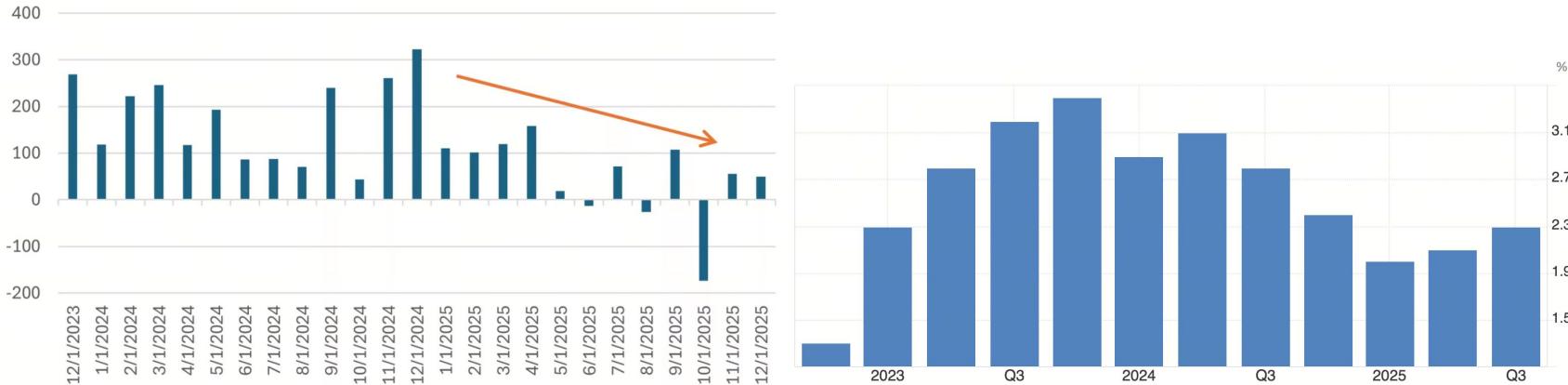
In January 2026, the blockchain and cryptocurrency industry will see several major events, covering regulatory implementation, the improvement of industry compliance frameworks, ecosystem product upgrades, and key conferences.

Time	Event / Policy	Jurisdiction	Summary
01/01	Turkmenistan Crypto Asset Regulation Act	Turkmenistan	Effective Jan 1; aims to attract investment and promote digitalization.
01/01	Bank Crypto-Asset Risk Disclosure Framework	Basel Committee	Effective Jan 1, 2026; introduces standardized public disclosure templates.
01/01	Digital Asset Tax Transparency Act	European Union	Effective Jan 1; requires crypto service providers to report user transactions.
01/01	Automatic Exchange of Tax Information incl. Crypto Assets	Switzerland	Expected Jan 1, 2026; mandates reporting of crypto-related client data.
01/01	Digital Technology Industry Act	Vietnam	Effective Jan 1, 2026; recognizes crypto assets, excluding securities and CBDCs.
01/14	BSC Mainnet Fermi Hard Fork Upgrade	BSC	Scheduled for Jan 14, 2026, at 10:30.
01/15	BitMine Annual Shareholders' Meeting	Las Vegas	To be held Jan 15, 2026, at Wynn Las Vegas.
01/31	Netflix Acquires Metaverse Avatar Platform	–	Ready Player Me acquired; service ends Jan 31, 2026.

03 Market Outlook: Mixed Economic Data

In December, nonfarm payrolls rose just 50,000, well below expectations, and 2025 saw weak hiring with only 584,000 new jobs versus roughly 2 million in 2024. After peaking in November, the unemployment rate fell to 4.4%, easing labor market concerns. Q3 GDP exceeded expectations at 4.3% annualized, and the GDPNow model projects Q4 growth around 5.1%, above forecasts. The combination of improving unemployment and resilient growth supports the Fed's decision to pause rate cuts in January.

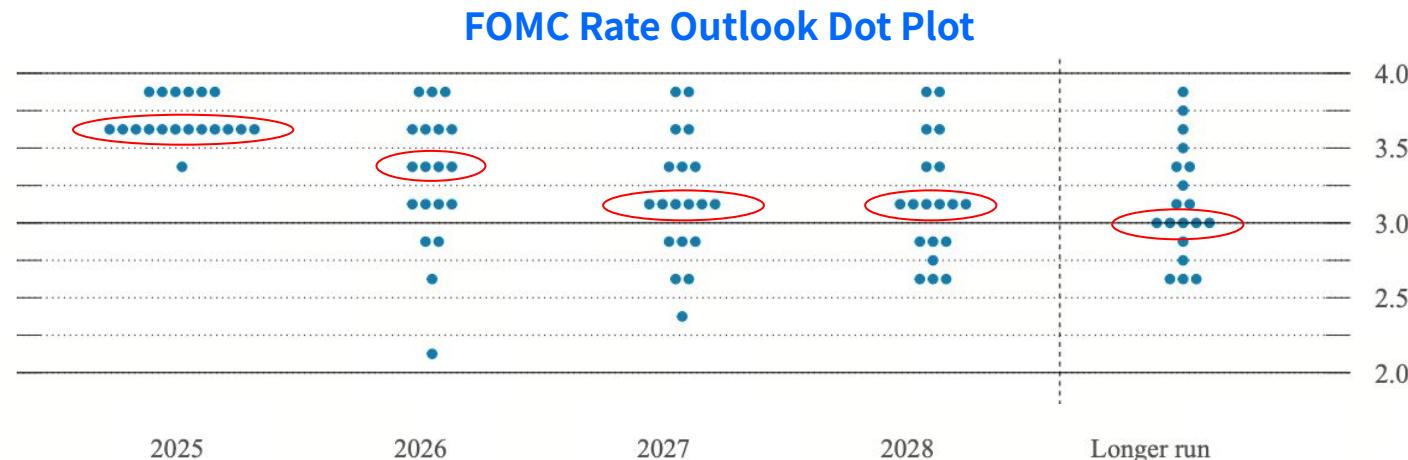
2025 New Jobs (left) & GDP Growth (right)



Gate Research, Data from: Edward Jones

03 Market Outlook: Rate Cuts in 2026

The December policy minutes showed a 25-basis-point rate cut with a 9-3 vote—the most dissenting votes since 2019. The dot plot revealed divisions: seven officials expect rates unchanged in 2026, while eight support at least two cuts. The next FOMC meeting on January 27, 2026, is widely expected to hold rates steady. Overall, the Fed faces a more complex policy environment, with future decisions heavily dependent on evolving economic data amid heightened uncertainty over inflation and employment.



03 Market Outlook: Progress in Crypto Legislation

Key Regulatory Events in 2025:

- **Mar – Banking Digitalization:** OCC allowed national banks to offer crypto custody, stablecoin services, and network validation without prior approval; in Dec, five digital asset firms conditionally received national trust bank charters.
- **Jul – Stablecoin Framework:** GENIUS Act set clear rules for compliant stablecoin issuance and use, marking a step toward mainstream adoption.
- **Jul – CLARITY Act:** Distinguished “digital commodities” from securities, giving CFTC primary spot-market oversight, while SEC regulates initial investment contracts.
- **Sep – SEC & CFTC Crypto Framework:** SEC clarified that some PoW mining isn’t securities trading and that registered exchanges can trade crypto spot assets, signaling coordinated regulatory clarity.
- **Sep – SEC Approves Universal Listing Standards:** Facilitates listing of commodity trusts and crypto products like Bitcoin ETFs on multiple exchanges.

Looking ahead to 2026, major legislation on stablecoins, crypto market structure, and tax/infrastructure is expected, shaping regulatory responsibilities and market access.

03 Market Outlook: Bitcoin Holder Structure

Publicly listed companies currently hold about 1.07M BTC, led by Strategy with 660K BTC. Spot Bitcoin ETFs hold 1.31M BTC, and exchanges, the largest single group, hold 2.94M BTC. Together, major holders control ~5.94M BTC, or 30% of circulating supply. On-chain data shows institutional wallets are far more stable than retail, reflecting long-term, low-frequency allocations. By 2026, Bitcoin ownership is set to concentrate further among institutions and custodians, reducing small investors' impact and supporting market stability.

Bitcoin Held by Long-Term Investors (LTH)



Reference

P1 Performance

- 01 - CoinGecko, <https://www.coingecko.com/en/global-charts>
- 02 - CoinGecko, <https://www.coingecko.com/en/global-charts>
- 03 - Gate, <https://www.gate.com/trade>
- 04 - Gate, https://www.gate.com/trade/BTC_USDT
- 05 - CoinClass, <https://www.coinglass.com/LiquidationData>
- 06 - SoSoValue, <https://sosovalue.com/assets/etf/us-btc-spot>
- 07 - Gate, https://www.gate.com/trade/ETH_USDT
- 08 - CoinGlass, <https://www.coinglass.com/LiquidationData>
- 09 - SoSoValue, <https://sosovalue.com/tc/assets/etf/us-eth-spot>
- 10 - CoinGlass, <https://www.coinglass.com/FundingRate>
- 11 - Gate, <https://www.gate.com/bigdata/homeindex>

P2 On-chain Data

- 01 - Artemis, <https://app.artemisanalytics.com/chains>
- 02 - Artemis, <https://app.artemisanalytics.com/chains>
- 03 - Defillama, <https://defillama.com/stablecoins>
- 04 - Defillama, <https://defillama.com>
- 05 - Artemis, <https://app.artemisanalytics.com/chains>

Reference

P3 Hot Topics

- 01 - DeFiLlama, <https://defillama.com/pro/5ihtclotvwsswau>
- 02 - DeFiLlama, <https://defillama.com/pro/e2snqctnbqip0qr>
- 03 - Dune, <https://dune.com/obchakevich/crypto-cards-all-chains>
- 04 - RWA.xyz, <https://app.rwa.xyz/>

P4 Projects Financing

- 01 - CryptoRank, <https://cryptorank.io/>
- 02 - CryptoRank, <https://cryptorank.io/>

P5 Security Incidents

- 01 - slowmist, <https://hacked.slowmist.io>
- 02 - slowmist, <https://hacked.slowmist.io>

P6 Future Events

- 01 - tokenomist, <https://tokenomist.ai/unlocks>
- 02 - Foresightnews, <https://foresightnews.pro/calendar?date=20260131>
- 03 - CoinGlass, <https://www.coinglass.com/today>
- 04 - CoinGlass, <https://www.coinglass.com/pro/i/long-term-holder-supply-change>
- 05 - CME, <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html>



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