

# BITFINEX Alpha



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# EXECUTIVE SUMMARY

## Macro Has Arrived but We Remain Positive on Q2

After last week's relatively resilient performance, with BTC closing the week [nearly flat](#), down just 0.65 percent—far outperforming traditional risk assets—it is clear that this was just a delayed downside response.



**SPX, NASDAQ, Dow Jones Industrial Average and Bitcoin Percentage Returns Since 2025 Yearly Open (Source: The Tradingview)**

Despite the [BTC/S&P 500 ratio](#) surging to within five percent of all-time highs, indicating strong relative strength, markets have now sold off. We believe that equities are becoming deeply oversold and that a near-term relief rally could compress this spread in the [medium-term](#). However, short-term funding and open interest trends also suggest incoming volatility for BTC. All that said, structurally the groundwork appears to be forming for outperformance later in Q2. As macro volatility cools, ETF inflows resume, and sovereign narratives re-emerge, Bitcoin may decouple further from equities and [reclaim leadership](#) across global risk assets.

The US economy posted stronger-than-expected [job](#) and [construction](#) figures in early 2025, offering short-term optimism. However, deeper structural challenges are emerging as [newly implemented tariffs](#) begin to weigh heavily on manufacturing, pricing, and labour markets. March's job growth, led by the private service sector, masks potential instability, with manufacturing and goods-producing sectors showing signs of strain.

Simultaneously, tariffs—now averaging over 22 percent—are raising input costs across industries, driving inflationary pressures and prompting retaliation from key trade partners. [Construction spending](#) rose in February due to easing mortgage rates, but cost inflation from materials like steel, aluminum, and lumber is already tightening affordability. Manufacturing activity has slipped back into contraction, and labour market indicators—especially job openings—point to a [softening trend](#). While the Federal Reserve [remains cautious](#) amid uncertain inflation dynamics, the overall picture suggests that trade policy, not monetary policy, may be the bigger risk to economic momentum in the coming quarters.

**Average Effective Tariff Rate in the U.S. at Highest Level Since 1909**  
1900 – 2025 (Through April 2)



Source: Budget Lab at Yale, U.S. Global Investors

**Average Effective Tariff Rate in the US (Source: Budget Lab at Yale)**

In terms of newsflow, the industry continues to evolve positively. Japan is spearheading regulatory modernisation by [proposing](#) to classify cryptocurrencies as financial products and reduce tax rates on crypto gains to 20 percent, a move aimed at boosting investor participation and cementing the country's role as a global crypto hub. Meanwhile, Grayscale [has filed](#) for a spot Solana ETF, signalling growing confidence in alternative Layer 1 assets and potentially paving the way for broader ETF adoption beyond Bitcoin and Ethereum. Complementing these developments, BlackRock's on-chain BUIDL fund continues to dominate the tokenised treasury market, [paying out \\$4.17 million](#) in March dividends and capturing nearly 40 percent market share. These parallel advancements underscore the accelerating convergence of traditional finance with blockchain technology, pointing toward a maturing market infrastructure that's increasingly accessible, compliant, and investor-friendly.

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# MARKET SIGNALS



# Largest Two-Day Decline For US Equities Since Covid; Bitcoin Was Relatively Strong

In the past week, US equity markets faced a substantial downturn, with the S&P 500 and Nasdaq Composite recording their most significant two-day losses since the onset of the COVID-19 pandemic. The S&P 500 plummeted nearly 11 percent in two days, erasing approximately \$5 trillion in market capitalisation, while the Nasdaq entered bear market territory, declining over 20 percent from its December peak. This is in line with our "[Waiting for Macro](#)" analysis where we have been predicting downside across risk assets since January.



**Figure 1. SPX, NASDAQ, Dow Jones Industrial Average And Bitcoin Percentage Returns Since 2025 Yearly Open (Source: Tradingview)**

On 2 April 2025, President Trump delivered one of the most consequential economic policy shifts of his second term, announcing a sweeping expansion in US trade protectionism. The White House introduced a [blanket 10 percent tariff](#) on all imported goods, alongside a sharply targeted 34 percent tariff on imports from China, and elevated tariffs on other countries, specifically focused on strategic sectors such as automobiles, semiconductors, and critical industrial components. These measures are positioned as part of the US administration's broader "America First Manufacturing" strategy, aimed at reshaping global trade flows and curbing China's growing trade surplus and technological ascent.



While the prospect of renewed tariffs had been telegraphed to markets in recent weeks, the scale and immediacy of the measures caught many off guard.

China responded swiftly, announcing a symmetrical 34 percent tariff on US exports within 24 hours. The retaliatory tariffs were concentrated on politically sensitive industries—US agricultural goods, energy exports (particularly LNG), and high-end manufacturing. This tit-for-tat escalation raised concerns that the world could enter a trade war at a time when global growth is fragile and inflationary risks elevated.

The impact on financial markets was immediate and severe:

- The S&P 500 plunged by 5.2 percent on the day of the announcement, followed by a further 5.5 percent decline the next session—marking the worst two-day performance since the March 2020 COVID crash.
- Over \$5 trillion in market capitalisation was wiped out across global equity markets.
- The VIX, Wall Street's "fear gauge", surged above 45—its highest level in 26 months.
- US Treasury yields plummeted as capital rotated into safe havens, with the 10-year yield falling 40bps over two sessions to below 3.6 percent.
- Recession fears intensified. JPMorgan now sees a 40 percent chance of a US recession in H2 2025, up from 20 percent the week prior.
- The Dow tanked 2,231 points on Friday — a day after suffering a 1,679-point drop, its previous worst session since the start of the COVID-19 pandemic in 2020. The two-day selloff wiped out \$6.4 trillion in market value.

For risk assets, the return of aggressive trade tensions significantly alters the macro landscape. The policy shift introduces a new source of exogenous risk to both traditional and digital markets. Bitcoin, which has increasingly behaved like a macro-sensitive risk asset, may not be immune to such volatility—particularly if ETF flows continue to slow and institutional positioning becomes more cautious in response to deteriorating global growth expectations.

As the situation unfolds, all eyes will be on whether further retaliation escalates or if back-channel diplomacy manages to defuse tensions. Either way, this marks a critical turning point in global market dynamics at the start of Q2 2025.



**Figure 2. BTC/USD Daily Chart. (Source: Bitfinex)**

As Figure 2 above illustrates, Bitcoin—often regarded as a tail-risk asset—was the first to react to macroeconomic uncertainty, selling off ahead of traditional equity indices. However, following the announcement of sweeping tariffs on 2 April, 2024, BTC demonstrated notable resilience, decoupling not only from equities but also from gold, which experienced a mild pullback during the final two trading sessions of the week.

Remarkably, in what was one of the most turbulent weeks for US equities in recent memory, Bitcoin closed the week with a modest decline of just 0.65 percent. This relative strength has raised an important question within the market: is Bitcoin now beginning to assert itself as a defensive asset, offering a degree of macro resilience at a time when traditional markets falter?

This is particularly intriguing given that Bitcoin led the March sell-off while equity indices remained elevated, hovering near their yearly opens. If this week's muted decline is indeed a sign of strength, Bitcoin may be positioning itself as a safe-haven alternative in an environment of rising geopolitical risk and heightened volatility—highlighted by the VIX reaching its highest level in 18 months.

However, an alternative explanation that seems to be now playing out is that Bitcoin's relatively stable performance last week was a lagging response, and the market is now beginning to fully digest the impact of renewed trade tensions. It seems now that crypto-native investors are rotating into cash.



**Figure 3. Bitcoin / S&P 500 Ratio (Source: Bitfinex)**

The BTC/SPX ratio remains firmly embedded within a long-term uptrend and now sits within striking distance—just 5 percent—of its all-time highs. Following a sharp +23 percent rebound off March lows (after a -26.3 percent drawdown from December peaks), the ratio has delivered its largest two-day surges since the Trump election rally in November 2024. However, in a volatility-sensitive macro regime, such parabolic moves typically require consolidation.

### Near-Term Outlook: Signs of Exhaustion

- The S&P 500 has corrected sharply (-11 percent in just two sessions last week), and with key earnings season approaching, a reflexive rally in equities seems overdue. Such a bounce—even if Bitcoin remains range-bound—would naturally compress the BTC/SPX ratio.
- Bitcoin funding rates are once again on the rise, and open interest has started to rebuild post-March's leverage flush. This setup hints at the possibility of short-term volatility, though not necessarily broad-based upside, especially if equity markets bounce more aggressively.

In the near term, we expect Bitcoin to underperform equities on a relative basis—not due to weakness in BTC, but because equities are set for a relief rally following an extreme sell-off. Bitcoin had already priced in many of the macro risks early on, however, given the illiquid nature of long-term spot holdings for Bitcoin, it's natural that the sell-off continues in crypto as we head into a new week.

We see the gap in the BTC/SPX ratio being filled as BTC drops to sub-\$80,000 levels. Post that, we remain as we were, 'Waiting on Macro'. Equities may also play catch-up, temporarily narrowing the performance gap.



While this cooling off takes place, in our view this is merely laying the foundation for a more significant structural breakout later in Q2. Once equity oversold conditions stabilise and macro volatility begins to subside, Bitcoin is poised to outperform other risk assets, particularly as:

- ETF inflows resume into spot BTC products following a stabilisation in macro flows.
- Upcoming inflation prints (Core PCE and CPI) reflect the diverging global inflation paths and might prompt the Fed to cut rates more prematurely than planned as per the latest Dot Plot.
- Sovereign accumulation narratives (such as the US Strategic Crypto Reserve, ETF proliferation, and cross-border settlements in BTC) regain prominence.

Hence, we expect BTC to move lower following the equity blood bath in the short-term but then we see a de-correlation from equities coming into effect in the medium term, in favour of Bitcoin and crypto assets. This likely sets up the stage for Bitcoin outperforming equities moving into Q2 and the second half of the year.



# GENERAL MACRO UPDATE



# Strong March Job Gains Mask Fragile Outlook as Tariffs Threaten Economic Momentum

Chart 1. Unemployment rate, seasonally adjusted, March 2023 – March 2025

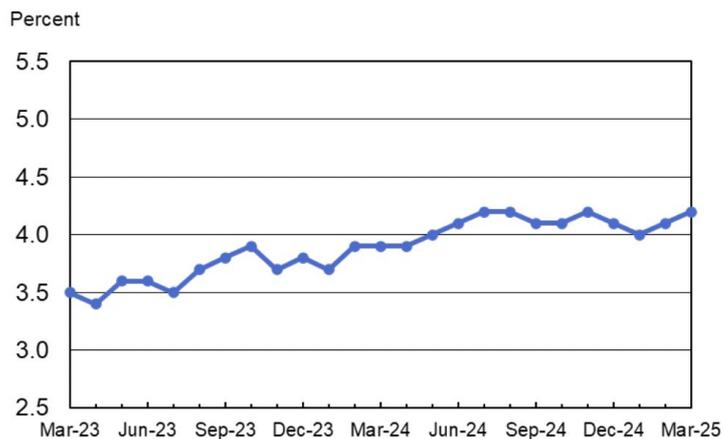
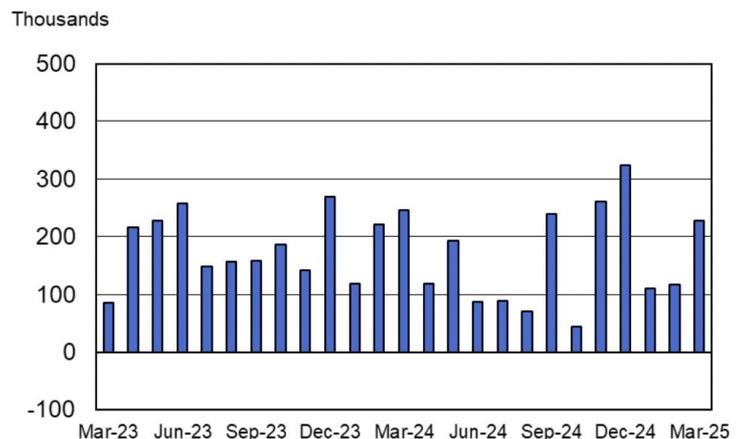


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, March 2023 – March 2025



**Figure 4. Unemployment Rate and Nonfarm Payroll Employment**  
(Source: Bureau of Labor Statistics)

The US labour market delivered a surprisingly strong performance in March, driven by a rebound in private service-sector hiring. However, we warn that these gains may be short-lived, as the economic effects of [newly implemented tariffs](#) begin to ripple through supply chains and consumer behaviour.

In March, employers added a total of 228,000 jobs—an encouraging figure on the surface, according to [the Bureau of Labor Statistics](#) last Friday, April 4th. But this number includes a sharp rebound of 197,000 new jobs in the private services sector, which followed two sluggish months. We think that this surge likely reflects temporary factors, and hiring could decelerate significantly in the coming months due to trade-related disruptions.

The Bureau of Labor Statistics also revised down job creation numbers for January and February, resulting in a lower net gain of 180,000 jobs for those months. This adjustment further underscores the volatility of the current employment environment.

[Goods-producing sectors](#) posted more modest gains: 12,000 net jobs gains were recorded in this category, including 13,000 in construction and just 1,000 in manufacturing, but losses in other areas such as mining and motor vehicles. These sectors are particularly vulnerable to the rising costs of imported materials caused by tariffs. Healthcare and education saw the largest hiring increase in March, adding 77,000 positions. Trade and transportation grew by 48,000 jobs, while retail added 24,000.

Another bright spot was the increase in labour force participation. In March, 232,000 people joined the workforce, likely motivated by the prospect of higher wages. This influx nudged the unemployment rate up to 4.2 percent. While this may seem counterintuitive, an increase in labour force participation can temporarily raise the unemployment rate because more people are actively looking for work and are therefore counted as unemployed until they secure jobs. Wages rose by 0.3 percent in March and are up 4 percent over the past year—evidence that demand for workers is still strong.

However, the outlook becomes murkier when factoring in the potential consequences of the new tariff regime. Tariffs, which effectively function as a tax on imported goods, are expected to drive up consumer prices and squeeze household budgets. If higher costs persist, consumer spending—the backbone of the US economy—may begin to contract, triggering business cutbacks and potential layoffs.

CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES											
MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
5/7/2025						0.0%	0.0%	0.0%	0.0%	33.3%	66.7%
6/18/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.6%	63.9%	5.6%
7/30/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	28.4%	61.6%	9.6%	0.4%
9/17/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.7%	52.6%	23.7%	2.9%	0.1%
10/29/2025	0.0%	0.0%	0.0%	0.0%	0.0%	10.2%	36.4%	38.4%	13.5%	1.5%	0.1%
12/10/2025	0.0%	0.0%	0.0%	0.0%	5.8%	25.1%	37.5%	24.2%	6.7%	0.7%	0.0%
1/28/2026	0.0%	0.0%	0.0%	1.8%	11.8%	28.9%	33.4%	18.8%	4.8%	0.5%	0.0%
3/18/2026	0.0%	0.0%	0.6%	5.3%	17.8%	30.5%	28.2%	13.8%	3.3%	0.3%	0.0%
4/29/2026	0.0%	0.1%	1.6%	7.9%	20.5%	30.0%	25.2%	11.7%	2.7%	0.3%	0.0%
6/17/2026	0.0%	0.4%	2.8%	10.4%	22.3%	29.1%	22.6%	9.9%	2.2%	0.2%	0.0%
7/29/2026	0.1%	0.6%	3.3%	11.1%	22.8%	28.7%	21.8%	9.4%	2.1%	0.2%	0.0%
9/16/2026	0.1%	0.7%	3.5%	11.5%	22.9%	28.5%	21.4%	9.2%	2.0%	0.2%	0.0%
10/28/2026	0.1%	0.6%	3.3%	10.8%	21.9%	28.0%	22.0%	10.3%	2.7%	0.3%	0.0%
12/9/2026	0.5%	3.0%	9.8%	20.5%	27.2%	22.8%	11.8%	3.6%	0.6%	0.1%	0.0%

**Figure 5. CME FedWatch Tool - Conditional Meeting Probabilities (Source: CME FedWatch Tool)**

### What does this mean for interest rates?

The Federal Reserve is likely to tread cautiously in response to these developments. While some market participants are betting on multiple interest rate cuts this year—some pricing in as many as four—we think such expectations are premature. The Fed is expected to maintain its current stance until it can fully assess how much of the tariff policy is implemented and whether it will spark inflationary or deflationary pressures. While last week’s March jobs report temporarily soothed fears of a Q1 economic slowdown, deeper structural risks remain. Tariffs could curtail supply and demand, leading to slower hiring, reduced consumption, and a potential recession in the next 12 months. April’s employment data may begin to reveal just how quickly these trade shocks are feeding into the broader economy.

# The New Tariff Era: How Rising Trade Barriers Could Reshape the Global Economy and Hit US Households

The US has entered a new phase of trade policy, one marked by significantly higher tariffs that may permanently alter both domestic economic dynamics and the global economic landscape. While government officials aim to use tariffs as a tool to rebalance global trade, the ripple effects—ranging from higher household costs to geopolitical retaliation—suggest a complex and costly transition.



**Figure 6. Average Effective Tariff Rate in the US (Source: Budget Lab at Yale)**

Following the latest round of tariff announcements, the effective tariff rate in the US has surged to 22.5 percent, with a trade-weighted average of 18 percent. This means that, on average, goods entering the US now face significantly higher taxes.

[The new 10 percent baseline tax on all goods](#) appears fixed, with little indication that it will be rolled back through negotiation. In effect, this sets a new minimum standard for trade costs, raising long-term expenses for imported products and reshaping the pricing structure across multiple industries.

However, the US trade strategy isn't limited to goods. In parallel, the government is also pursuing efforts [to influence the value of the dollar](#)—a move with global implications. A weaker dollar would make US exports cheaper abroad, potentially supporting domestic manufacturers, but it also risks triggering a broader currency war as other nations respond to protect their own trade competitiveness.

For now, some short-term benefits are emerging as companies and consumers rush to buy imported goods before tariffs fully take effect. However, this “front-loading” of demand is not sustainable. Once the new cost structures are fully realised, a sharp slowdown in both global production and consumption is likely, especially as import prices climb. Adding further pressure is the early movement in currency markets. Immediately following the tariff announcement, the US dollar had weakened against 15 of the 16 major global currencies. A softer dollar could amplify the cost of imports, making the tariff burden even heavier than current estimates suggest.



**Figure 7. US Dollar Index, DXY (Source: TradingView)**

In sum, the US trade overhaul is more than just a shift in policy—it signals a structural transformation with far-reaching implications. While it may achieve certain strategic goals, the near-term consequences could include higher household costs, retaliatory trade measures targeting key service sectors, and a potential downturn in global economic momentum.

# US Construction Rebounds in February, but Tariffs Drive Manufacturing Slowdown and Broader Economic Uncertainty

US construction activity showed stronger-than-expected growth in February, driven by a dip in mortgage rates that stimulated demand for single-family housing. However, the broader economic picture is becoming increasingly complex, with early signs of a manufacturing slowdown and rising input prices hinting at future headwinds, triggered mainly by a growing wave of trade tariffs.

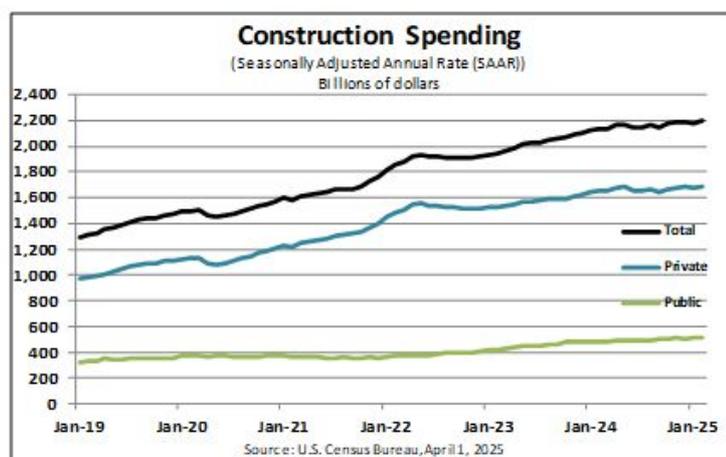


Figure 8. Construction Spending (Source: US Census Bureau)

According to the [US Commerce Department's Monthly Construction Spending](#) last Tuesday, April 1st, construction spending increased by 0.7 percent in February, beating forecasts and reversing a downwardly revised 0.5 percent drop in January. Year-over-year, construction spending is up 2.9 percent, a modest but encouraging sign of resilience. Private construction was the key driver, rising 0.9 percent, with residential investment up by 1.3 percent, fuelled by falling mortgage rates.

Multi-family construction remained flat, and non-residential private investment in offices and industrial structures rose only slightly by 0.4 percent, suggesting that business confidence remains cautious.

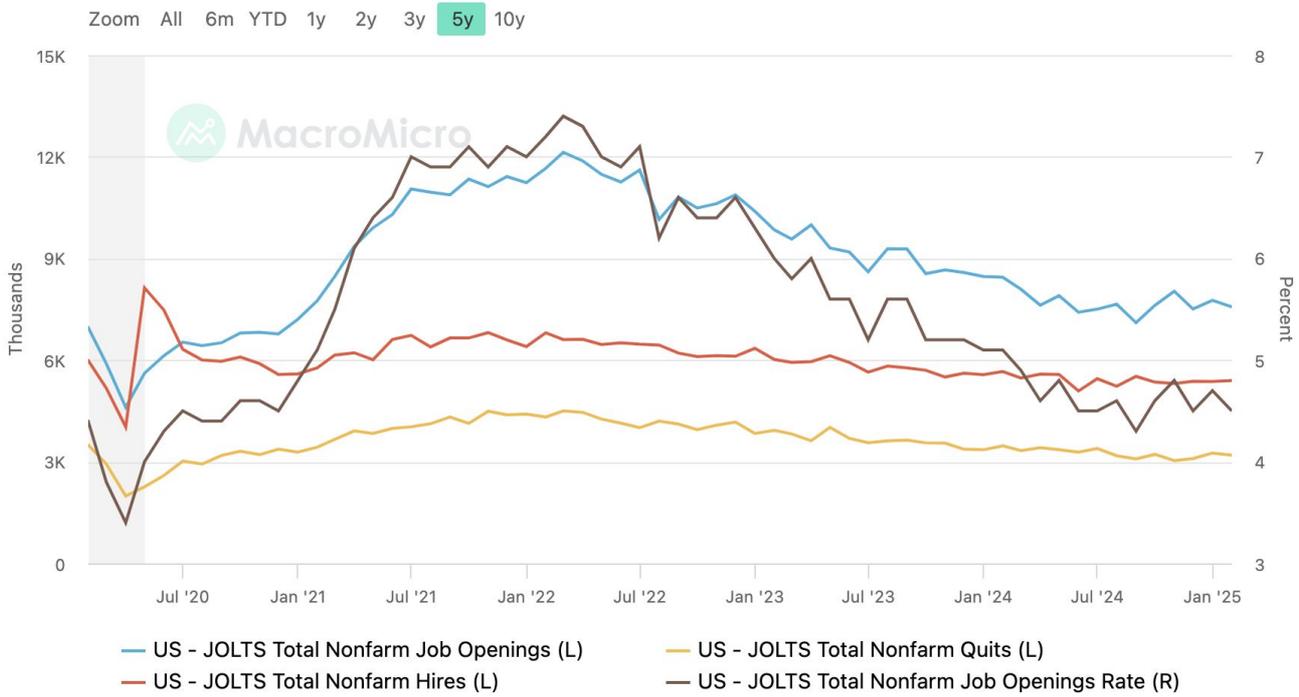
But beneath the headline strength in construction lies an economy under strain. The cost of building materials has surged due to the Trump administration's sweeping tariff policies. [New duties on steel, aluminum, and Canadian lumber](#) have pushed up construction costs significantly. The National Association of Home Builders (NAHB) estimates these tariffs have added roughly \$9,200 to the cost of building a typical single-family home, tightening margins for builders and affordability for buyers.

Index	Series Index Mar	Series Index Feb	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
Manufacturing PMI®	49.0	50.3	-1.3	Contracting	From Growing	1
New Orders	45.2	48.6	-3.4	Contracting	Faster	2
Production	48.3	50.7	-2.4	Contracting	From Growing	1
Employment	44.7	47.6	-2.9	Contracting	Faster	2
Supplier Deliveries	53.5	54.5	-1.0	Slowing	Slower	4
Inventories	53.4	49.9	+3.5	Growing	From Contracting	1
Customers' Inventories	46.8	45.3	+1.5	Too Low	Slower	6
Prices	69.4	62.4	+7.0	Increasing	Faster	6
Backlog of Orders	44.5	46.8	-2.3	Contracting	Faster	30
New Export Orders	49.6	51.4	-1.8	Contracting	From Growing	1
Imports	50.1	52.6	-2.5	Growing	Slower	3
OVERALL ECONOMY				Growing	Slower	59
Manufacturing Sector				Contracting	From Growing	1

**Figure 9. Institute of Supply Management Manufacturing Index**

The effects of tariffs are even more pronounced in the manufacturing sector. After two months of slight expansion, US manufacturing contracted again in March. According to the [The Institute of Supply Managements' \(ISM\) Manufacturing Report on Business](#), the manufacturing index fell to 49, down from 50.3 in February, signaling contraction. Survey respondents cited reduced orders from international clients, rising material costs, and overall uncertainty due to retaliatory tariffs from countries like Canada and the EU.

In anticipation of higher input costs, manufacturers are already raising prices. The "prices paid" index jumped to 69.4 in March from 62.4 in February, reaching its highest level since 2022. This signals that inflationary pressures are mounting in the goods sector, even before the full effect of tariffs has materialised.



**Figure 10. Job Openings and Labor Turnover Summary**  
 (Source: Bureau of Labor Statistics, Macromicro)

Labour market data further reflects this cooling sentiment. The employment component of the ISM survey fell to a six-month low, and [February's job openings](#) declined to [7.568 million, down from 7.762 million](#) the prior month. Manufacturing job openings are notably weaker. While some of this is attributed to labour market normalisation, we expect further downside once the lagging effects of federal job cuts and reduced manufacturing activity are fully realised.

Despite this softening, wage inflation is unlikely to ease meaningfully, as goods inflation from tariffs may continue to rise. As a result, even if hiring slows, the overall inflation landscape may remain stubbornly elevated.

The February rebound in construction provides a glimmer of optimism, but the combined drag from tariffs, rising costs, weakening manufacturing activity, and labour market uncertainty suggests the economy may face increasing challenges in the months ahead. While interest rates remain favourable and demand for housing is strong, the long-term outlook is increasingly shaped by policy-driven shocks, global trade frictions, and inflationary pressures likely to ripple across multiple sectors.



# NEWS FROM THE CRYPTO-SPHERE



# Japan Moves to Classify Crypto as a Financial Product



**Figure 11. Japan Moves to Classify Crypto as Financial Products: A Game-Changer for Regulation and Taxation**

- The Financial Services Agency (FSA) plans to reclassify cryptocurrencies as financial products, subjecting them to traditional securities rules
- The government is also proposing a tax cap of 20 percent on crypto gains, aiming to encourage broader participation and institutional investment

Japan's Financial Services Agency (FSA) is preparing a sweeping reform of how cryptocurrencies are regulated in the country. Under the [proposed changes](#), digital assets would be legally redefined as financial products, aligning their oversight with that of traditional securities. This reclassification would carry wide-ranging implications for both investor protections and market development.

## Proposed Regulatory Reforms

If enacted, the reform would amend the Financial Instruments and Exchange Act to bring crypto assets under its jurisdiction. As a result, cryptocurrencies would be subject to the same compliance obligations that apply to stocks, bonds, and other securities. This includes rigorous disclosure requirements for crypto issuers, as well as extending insider trading regulations to include digital assets. This move is designed to increase transparency, reduce fraud, and build public trust in the market.



## Tax Policy Shift Aims to Attract Investors

In parallel with the regulatory overhaul, Japan's ruling Liberal Democratic Party is advocating for major changes to crypto taxation. The proposal suggests capping taxes on crypto profits at 20 percent, aligning them with the capital gains taxes applied to traditional financial instruments. Currently, crypto gains are classified as miscellaneous income, exposing investors to rates of up to 55 percent. Reducing this burden could attract more retail and institutional investors.

## Potential Market Implications

The twin reforms—reclassification and tax restructuring—are poised to reshape Japan's crypto landscape in several key ways:

- **Enhanced Investor Protection:** Stricter oversight could deter bad actors and create a safer environment for retail investors.
- **Institutional Participation:** Legal clarity and tax incentives may entice more institutions to enter the market, boosting liquidity and price stability.
- **Innovation and Product Development:** Regulatory certainty could foster innovation, encouraging the creation of new financial products and services within the blockchain space.

Japan's initiative to treat cryptocurrencies as financial products and ease the tax burden represents a turning point in digital asset regulation. By balancing investor protection with incentives for growth, the country is positioning itself as a model for forward-looking crypto policy. These developments are likely to have ripple effects beyond Japan, as other nations look to refine their own regulatory approaches.

# Grayscale Files for Spot Solana ETF

As filed with the Securities and Exchange Commission on April 4, 2025

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM S-1**  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**Grayscale Solana Trust (SOL)**  
(Exact Name of Registrant as Specified in Its Charter)

<b>Delaware</b> (State or Other Jurisdiction of Incorporation or Organization)	<b>6221</b> (Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)
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**Figure 12. Grayscale Files for Spot Solana ETF: A Pivotal Moment for Crypto Investment Products**

- Grayscale's move to launch a spot Solana ETF signals rising institutional interest and confidence in alternative digital assets beyond Bitcoin and Ethereum
- If approved, the ETF could expand access to Solana, enhance market liquidity, and inspire a new wave of crypto-linked investment products

Grayscale Investments, one of the first pure play digital asset managers, has filed a [Form S-1](#) with the US Securities and Exchange Commission (SEC) to establish a spot Solana ETF. The proposed fund, called the Grayscale Solana Trust, would be listed on the NYSE Arca and track Solana's market price via the CoinDesk Solana Price Index.

## Structure and Custody Details

Grayscale's filing designates Coinbase as the ETF's custodian and prime broker, while Bank of New York Mellon will serve as its administrator and transfer agent. The trust will not support staking or participate in forks or airdrops. Instead, it will only accept cash for share creation and redemption, simplifying fund operations and minimising regulatory complexity.



If approved, this fund would give both institutional and retail investors easier access to Solana exposure without the complexities of direct ownership, such as self-custody or navigating crypto exchanges. It could also serve as a benchmark for other asset managers considering similar ETFs for alternative Layer 1 blockchains.

# BlackRock's Tokenised Treasury Fund BUIDL Pays Out \$4.17M in March Dividends, Dominates Onchain Market

# BlackRock

*Figure 13. BlackRock's Tokenised Treasury Fund BUIDL Pays Out \$4.17M in March Dividends, Dominates Onchain Market*

- **BlackRock's BUIDL fund, built on Ethereum, leads the tokenised treasury space with daily yields and nearly 40 percent market share**
- **The fund highlights growing demand for tokenised real-world assets (RWAs) and offers faster, more flexible returns than traditional finance**

BlackRock's on-chain money market fund, BUIDL, distributed roughly \$4.17 million in dividends in March, setting a new high for tokenised Treasury products. Over the past year, it has returned \$25.4 million to investors, according to a [recent update from broker-dealer Securitize](#) last Friday, April 4th.

Unlike traditional money market funds that pay monthly, BUIDL delivers daily returns to investors by leveraging blockchain technology. This allows 24/7 access to US government debt—without the usual limitations of market hours and slow settlement. Investors earn passive income on idle cash while enjoying instant liquidity.

Securitize COO Michael Sonnenshein noted that daily payouts make tokenised products like BUIDL more efficient than their traditional counterparts. "This is how tokenisation improves—not just mimics—legacy finance," he said.

Launched in March 2024, BUIDL quickly took the lead in the tokenised treasury sector with \$1.9 billion in user deposits, surpassing similar offerings by Franklin Templeton and Ondo Finance. Overall, the sector holds about \$5 billion, giving BlackRock and Securitize roughly 37 percent market dominance.



Ethereum remains the top blockchain for real-world asset issuance, hosting 53 percent of all tokenised RWAs. Most of BUIDL's activity also happens on Ethereum, with over 90 percent of its dividends paid to users on the network, reflecting Ethereum's strong role in merging traditional finance with the blockchain ecosystem.



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