

BITFINEX Alpha



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EXECUTIVE SUMMARY

Bullish Momentum Starting to Form

Bitcoin continues to showcase impressive resilience, climbing over 10 percent in the past week and outperforming traditional risk assets like the S&P 500. After enduring several weeks of choppy price action and low liquidity, Bitcoin [has reclaimed](#) the \$94,000 range lows - a pivotal marker as this was the level that underpinned the rally that sent BTC to its all-time high in January. The recovery has been supported by a shift in macro sentiment, with renewed optimism around potential tariff relief from the US administration sparking a broader risk-on move across global markets.

Bitcoin has now also reclaimed the [Short-Term Holder Cost Basis level](#) at around \$92,900, a critical on-chain pivot level that typically separates corrective phases from renewed bullish momentum. Adding to the positive market structure, the [Percent Supply in Profit metric](#) has also rebounded to 87.3 percent, indicating improving market health and investor profitability.

BTC: Percent Supply in Profit



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The next few weeks will be crucial. We are not yet at full euphoria levels, and Bitcoin's ability to maintain these gains in the coming weeks will be key to determining whether a new leg higher toward all-time highs is achievable, or if another pullback is in store.

Recent US trade policies, especially the imposition of high tariffs on imports from China and other countries, are beginning to strain the economy. Although initial jobless claims [remain low](#) and unemployment [stands at 4.2 percent](#), there are signs of weakening confidence in the labour market.

Wage satisfaction and minimum acceptable salary expectations (reservation wages) [have fallen sharply](#), indicating growing concerns about long-term job security and wage growth.

Meanwhile, durable goods orders [rose significantly](#) in March, driven largely by a surge in commercial aircraft demand. However, core capital goods orders — a better indicator of business investment — showed [almost no growth](#), reflecting cautious corporate sentiment amid tariff uncertainty. Companies are delaying major investments, raising concerns about a potential slowdown in economic momentum later this year.



The US dollar has also [weakened](#), driven by reduced confidence in US economic leadership, sharply downgraded GDP forecasts, and stronger global competition, particularly from Europe. The decline in consumer sentiment and the risk of interest rate cuts by the Federal Reserve could [accelerate](#) the dollar's depreciation. Potential repatriation flows from Japanese investors and interventions by the Bank of Japan may further complicate the dollar's trajectory.

On a positive front, however, The Federal Reserve [has eased](#) crypto-asset rules by withdrawing prior supervisory requirements for the US banking sector, aiming to promote innovation and simplify procedures for banks who want to engage in crypto and dollar token activities. This move [signals](#) a more supportive and adaptive regulatory stance toward the digital asset sector.

In a parallel development, Securitize and Mantle [launched](#) the MI4 crypto index fund with a \$400M commitment, offering regulated, diversified exposure to major cryptocurrencies for institutional investors. The partnership reflects the growing integration of blockchain into traditional finance and the advancement of asset tokenization.

CME Group also [announced](#) the launch of XRP futures. This expansion beyond Bitcoin and Ether futures highlights increasing institutional interest in altcoins and aims to boost XRP's liquidity, price discovery, and mainstream financial adoption following Ripple's settlement with the SEC.

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MARKET SIGNALS



Bitcoin Stands Firm

Bitcoin continues to demonstrate remarkable strength, and has outperformed all other major risk assets, particularly the S&P 500. Over the past week, BTC has risen by 10.7 percent, against a 4.5 percent increase by the SPX. BTC has also registered seven consecutive green daily closes for the first time since November 2024.



Figure 1: BTC/USD Daily Chart. (Source: Bitfinex)

BTC's recovery off its lows following 'Liberation Day' on April 2nd, has now reached 28.6 percent. This has pushed Bitcoin above the \$94,000 level — the previous range lows— for the first time since the breakdown on 24th February (see Figure 1 above). This \$94,000 range is important as it had previously formed the foundation for Bitcoin's move to its current all-time high of \$109,590. Regaining this level marks a key technical development, suggesting that the market has absorbed much of the initial selling pressure, and that confidence may be returning as Bitcoin attempts to re-establish itself within the prior range structure.

The catalyst behind this rally has been renewed optimism following signals from the US administration of potential tariff relief on Chinese imports. This shift in tone helped ignite a broader risk-on move across markets, with both equities and crypto assets climbing higher. Bitcoin's sharper and more sustained reaction compared to traditional equities reinforces its growing resilience and the underlying demand profile that we have continued to highlight throughout this corrective phase.

In Bitcoin's case, the recent rally has also put it above a crucial on-chain threshold: the Short-Term Holder (STH) Cost Basis, currently positioned at \$92,900. The STH Cost Basis reflects the average acquisition price of coins held by newer market participants and has historically acted as a pivotal marker. Sustained moves above the STH Cost Basis often signal the transition from bearish corrective phases to renewed bullish momentum during recoveries.

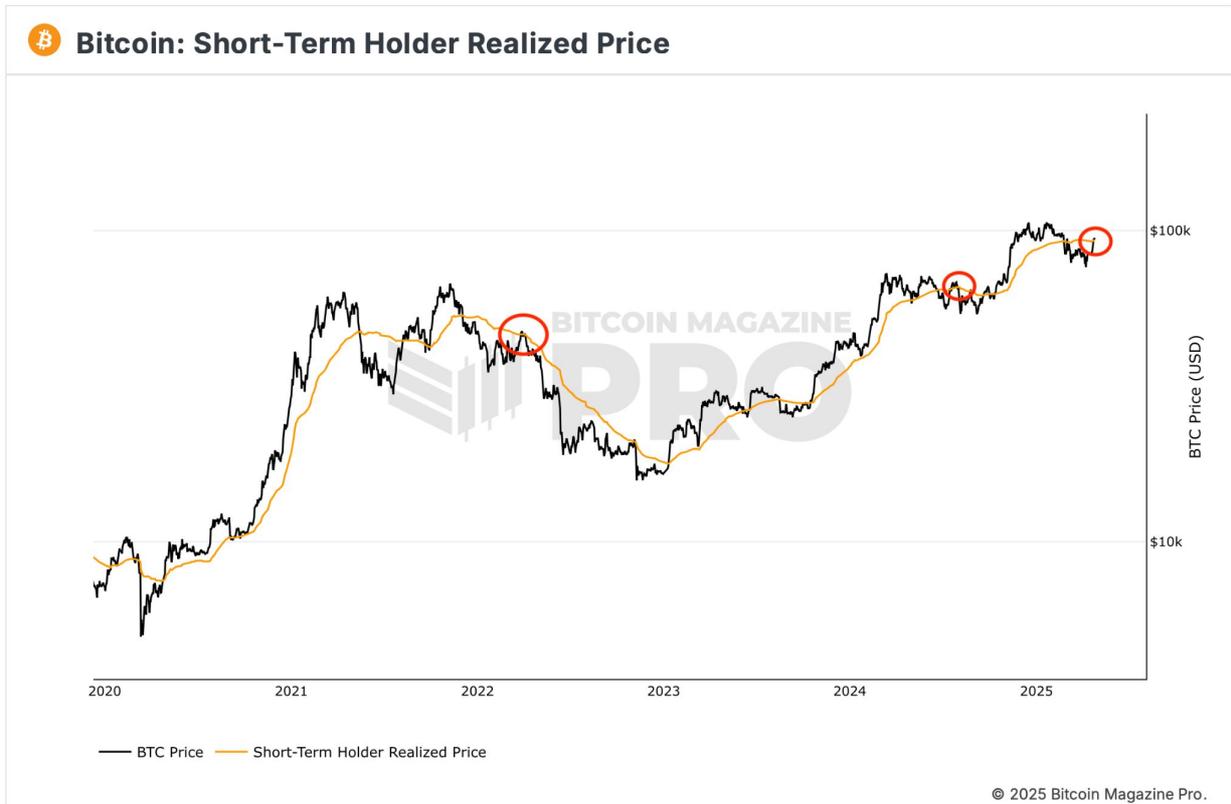


Figure 2: Bitcoin Short-Term Holder Realised Price. (Source: Bitcoin Magazine Pro)

However, similar to the dynamics observed in July–September 2024, the current move has, so far, only resulted in a brief reclaim of the STH Cost Basis. While this signals an initial spark of optimism among short-term holders, it has not yet confirmed a full regime shift back into a decisive bullish structure.

The price action from here will be critical: if Bitcoin can hold and consolidate above the previous range lows (see Figure 1), it could potentially open the path towards challenging the all-time highs once again. Conversely, failure to sustain above the \$92,900 level could indicate that a significant local top is forming, setting the stage for a broader retracement back towards the low \$80,000s or even revisiting the low \$70,000s region. The next few weeks will be key in defining the medium-term trajectory.

The market's recent push above \$94,000 has also been accompanied by a notable recovery in unrealised profits held by investors. The Percent Supply in Profit metric has climbed to 87.3 percent, marking a sharp rebound from the local lows seen in March. This uptick in profitability reflects the broader recovery across the Bitcoin market.

BTC: Percent Supply in Profit



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Figure 3. BTC Percent Supply In Profit. (Source: Glassnode)

Interestingly, when Bitcoin last traded around the \$94,000 level in late February and early March, only 82.7 percent of the circulating supply was in profit. This suggests that since then, around 5 percent of the total Bitcoin supply has changed hands at lower prices, as the market underwent a period of consolidation and downward volatility.

Historically, an extended period where more than 90 percent of supply remains in profit tends to align with euphoria phases within bull markets, often signalling widespread investor confidence and elevated risk appetite. While we are not quite at that critical threshold yet, the current trajectory indicates that a foundation for more sustained upside could be forming — provided that broader macroeconomic conditions remain supportive and Bitcoin can continue building strength above key technical and on-chain levels.



GENERAL MACRO UPDATE



How US Trade Policies Affect Employment and Wages

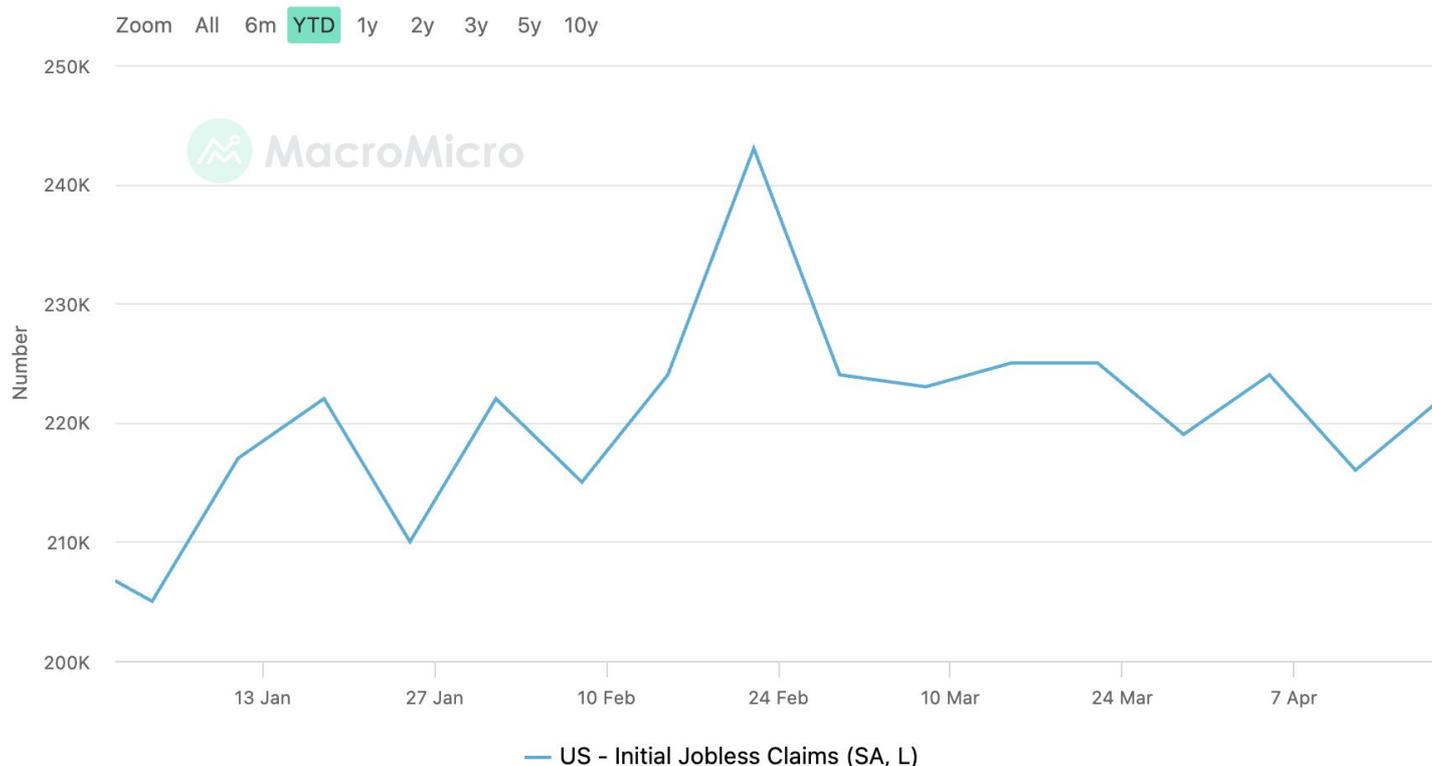


Figure 4. Initial Jobless Claims (Source: Macromicro, Department of Labor)

The [Department of Labor's Unemployment Insurance Weekly Claims report](#), issued last Thursday, April 24th, indicated only a slight rise in Americans filing for unemployment benefits. The report further highlighted the ongoing resilience of the US labour market, despite increased worries about the future trajectory of the economy. Last week's report reported initial jobless claims climbing by just 6,000, bringing total joblessness to a seasonally adjusted 222,000—in line with consensus forecasts. However, concerns, particularly related to US President Donald Trump's shifting trade policies and his changing position on tariffs, are increasing concerns about how resilient the economy can continue to be.

Tariffs currently stand at 145 percent on various Chinese imports, with a 10 percent universal tariff on most other trading partners, and a 25 percent levy on specific goods such as steel, aluminium, and automobiles. While these measures are intended to support domestic industries and generate revenue to counterbalance tax cuts, they also risk triggering higher inflation and slowing overall economic growth.

Moreover, the ongoing trade uncertainty is notably impacting consumer and business confidence. Businesses, wary of escalating costs and unpredictable market conditions, have increasingly expressed caution. This sentiment was further underscored by [recent government data](#) revealing minimal growth in investment in equipment during March. Such hesitation in capital expenditure typically signals that businesses are concerned about long-term profitability and operational sustainability.

The uncertainty and rising business costs linked to tariffs are expected to lead to job losses later in the year, particularly affecting sectors heavily reliant on international trade, such as retail, manufacturing, and transportation. We expect other sectors will feel the full force of the tariffs by the second half of the year, which may lead to a potential downturn in the labour market despite current stability.

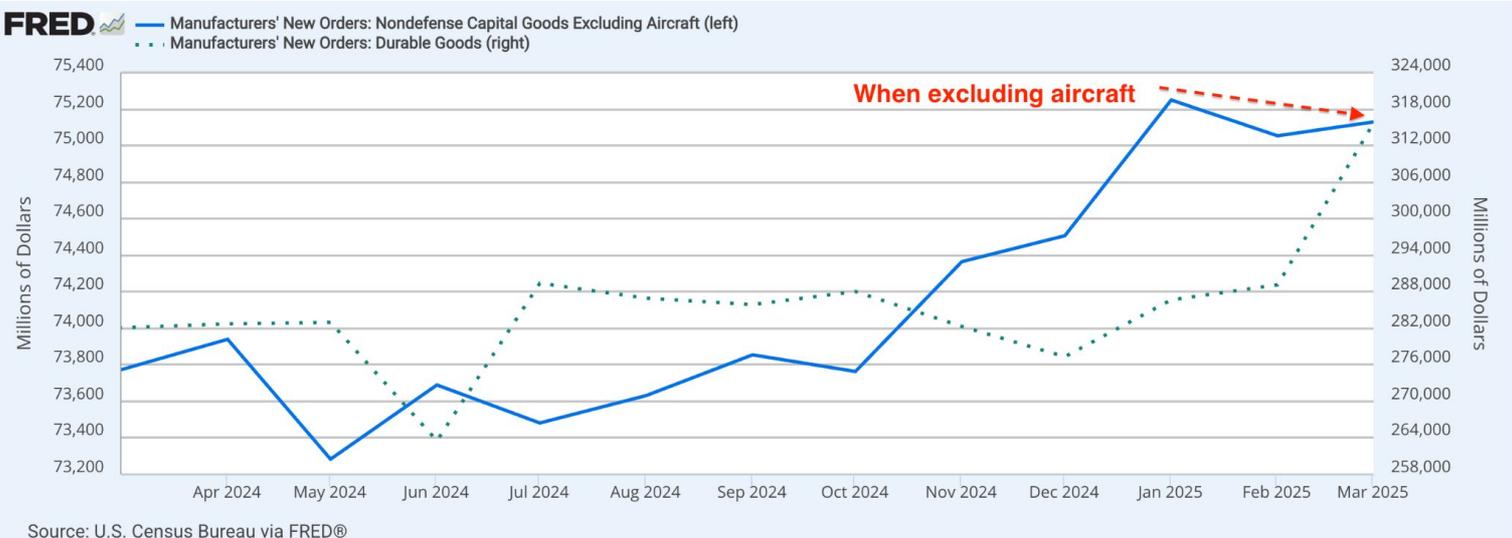


Figure 5. Manufacturers' New Orders: Non Defense Capital Goods Excluding Aircraft

Satisfaction: Wage

Percentage who are satisfied with wages at current job

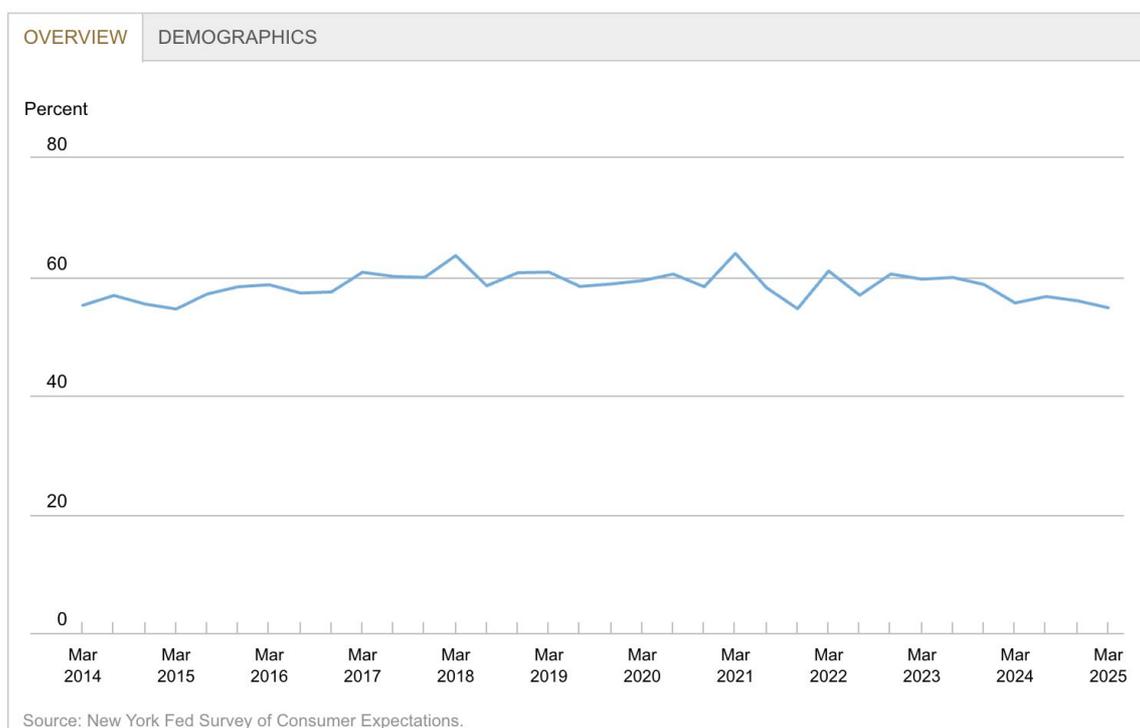


Figure 6. New York Fed Survey of Consumer Expectations: Wage Satisfaction

Interestingly, despite low unemployment rates (currently at 4.2 percent, typically indicating full employment), dissatisfaction within the labour market has become increasingly evident. Recent findings from the [New York Federal Reserve's Labor Market Survey](#) reveals a notable drop in the "reservation wage," or the minimum salary at which individuals would accept new job offers. This reservation wage fell significantly from \$82,135 to \$74,236 over the past year, and was particularly pronounced among men aged over 45. This drop reflects decreasing optimism about wage prospects and working conditions.

Further, the survey also highlighted falling satisfaction levels related to wage compensation, benefits, and promotional opportunities. Satisfaction with wage compensation, specifically, has declined to its lowest point since November 2021. These trends highlight a growing disconnect between official employment figures and workers' lived experiences, driven partly by fears of stagnation and limited economic mobility.

In conclusion, while the US labour market shows apparent strength, underlying issues related to trade policy-induced uncertainty are becoming increasingly visible. Tariffs, intended as economic stimulants, instead introduce volatility that affects businesses and workers alike. If these policies persist unchanged, the result may be reduced employment opportunities, slower wage growth, and an eventual weakening of economic stability.

US Durable Goods Orders: Cautious Optimism From Uncertain Tariff Policies

DURABLE GOODS – NEW ORDERS		
MARCH 2025	\$315.7 billion	+9.2%°
FEBRUARY 2025 (revised)	\$289.2 billion	+0.9%°
Next release: May 27, 2025		
<small>Data adjusted for seasonal variation but not for price changes. *Statistical significance is not measurable for this survey. The Manufacturers' Shipments, Inventories, and Orders estimates are not based on a probability sample, so the sampling error of these estimates cannot be measured nor can the confidence intervals be computed. Source: U.S. Census Bureau, Manufacturers' Shipments, Inventories and Orders, April 24, 2025.</small>		

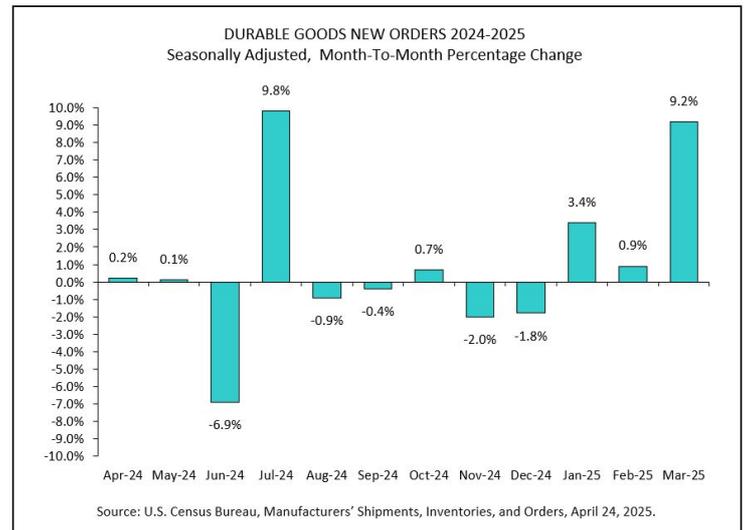


Figure 7. US Durable Goods (Source: US Census Bureau)

In March, orders for US manufactured durable goods experienced a substantial rise, primarily fueled by a significant increase in demand for commercial aircraft, according to the [Census Bureau's Monthly Advance Report on Durable Goods](#). Durable goods orders rose 9.2 percent, as commercial aircraft order jumped 139 percent. The surge was notably tied to Boeing's report of 192 new aircraft orders in March, a sharp contrast to just 13 orders the month before.

However, this robust activity in aircraft demand masked a broader underlying weakness, given that core capital goods orders, which is a critical indicator of businesses' future investment intentions - and excludes volatile aircraft and defense-related items - were up only 0.1 percent in March. This marginal improvement followed a revised 0.3 percent decline in February, highlighting restrained spending amid escalating trade uncertainties.

The muted growth in core capital goods orders reflects businesses' cautious approach as tariff-related economic uncertainties intensify. This hesitation became evident as US businesses [reconsidered](#) investments due to unpredictable tariff policies and trade disruptions, which threaten profitability and operational planning.

The stark contrast between the robust aircraft order numbers and the lacklustre performance in broader business investment points directly to the influence of US trade policies. Recent tariff developments have created a volatile environment, prompting many companies to delay significant spending decisions. We expect this cautious stance to continue as tariff-related unpredictability persists.



While the spike in aircraft orders contributed significantly to March's headline durable goods numbers, broader trends reveal a cautious economic stance among businesses. The escalating uncertainty surrounding tariffs has dampened investment sentiment, potentially slowing economic momentum.

Behind the Dollar's Decline: Economic Implications and Future Risks

The US dollar has seen significant depreciation in the past four months, triggering concern about the impact this could have on global markets. Multiple factors have converged to drive this decline, highlighting deeper structural issues within the US economy and its position relative to global peers.

A significant factor contributing to the dollar's decline is the [surprising fiscal stimulus](#) by Germany last month. This stimulus unexpectedly bolstered Europe's economic outlook, and reduced the relative attractiveness of the US economy. Concurrently, confidence in the US government's ability to effectively negotiate favourable trade policies has diminished, leading to downward revisions of US economic forecasts. Specifically, expectations for US GDP growth have significantly dropped from an original estimate of 2.5 percent last month to just -2.5 percent, as of April 24th, [according to the US Atlanta Fed GDP Estimates](#). In contrast, Europe's growth outlook has remained relatively stable, with only minor downward adjustments.



Figure 8. US Dollar Index (Chart Source: Tradingview)

Date	Major Releases	GDP	PCE	Equip- ment	Intell. prop. prod.	Nonres. struct.	Resid. inves.	Govt.	Exports	Imports	Change in net exp.	Change in CIPI
27-Mar	Latest BEA estimate for 24:Q3	3.1	3.7	10.8	3.1	-5.0	-4.3	5.1	9.6	10.7	-34	-14
27-Mar	Latest BEA estimate for 24:Q4	2.5	4.0	-8.7	-0.5	2.9	5.5	3.1	-0.2	-1.9	17	-49
31-Jan	Initial GDPNow 25:Q1 forecast	2.9	3.0	3.9	5.5	-3.8	2.3	2.1	2.7	4.7	-26	21
28-Feb	Adv. Man. (M3-1) (2/27), Q4 GDP (2/27), Adv. Econ. Ind., Pers. Inc. & Adv. Econ. Ind. (3/27), Q4 GDP (3/27),	-1.5	1.3	6.3	5.8	-2.0	1.4	2.0	0.2	29.7	-248	23
28-Mar	Personal income & outlays	-2.8	0.3	14.2	5.0	0.5	2.4	2.0	1.8	41.5	-323	24
3-Apr	International trade, ISM Services Index	-2.8	0.3	15.1	4.8	0.0	1.0	2.0	0.7	39.6	-316	18
4-Apr	Employment Situation	-2.4	0.7	16.3	5.1	0.9	3.1	1.9	2.1	41.2	-319	18
9-Apr	Wholesale trade	-2.4	0.7	16.4	5.1	0.9	3.2	1.9	2.1	41.2	-319	19
10-Apr	CPI, Monthly Treasury Statement	-2.4	0.7	16.4	5.1	0.9	3.2	1.7	2.1	41.3	-319	21
11-Apr	Producer Price Index	-2.4	0.7	16.2	5.1	0.9	3.2	1.7	2.1	41.3	-319	20
15-Apr	Import/Export Prices	-2.6	0.7	16.2	5.1	0.9	3.2	1.7	1.5	42.2	-330	20
16-Apr	Retail trade, Industrial production	-2.2	1.4	16.2	5.1	0.8	3.7	1.7	1.5	42.2	-330	20
17-Apr	Housing starts	-2.2	1.3	16.2	5.1	0.8	2.9	1.7	1.4	42.2	-330	20
23-Apr	New-home sales	-2.3	1.3	16.2	5.1	0.5	1.2	1.6	1.4	42.2	-330	20
24-Apr	Existing-home sales, Advance Manufacturing (M3-1)	-2.5	1.3	15.5	5.1	0.5	-0.1	1.6	1.4	42.2	-330	11
Maximum forecast of real GDP growth												
ISM Manufacturing Index, Construction												
3-Feb	spending	3.9	4.1	5.6	5.7	-0.4	2.9	2.1	4.3	6.4	-29	25
Minimum forecast of real GDP growth												
1-Apr	ISM Manuf. Index, Constr. spending	-3.7	-0.6	10.6	4.7	-0.4	0.2	2.0	-0.4	39.1	-320	22

Figure 9. Atlanta Fed GDPNow Estimates for 2025 (Source: The Federal Reserve Atlanta)

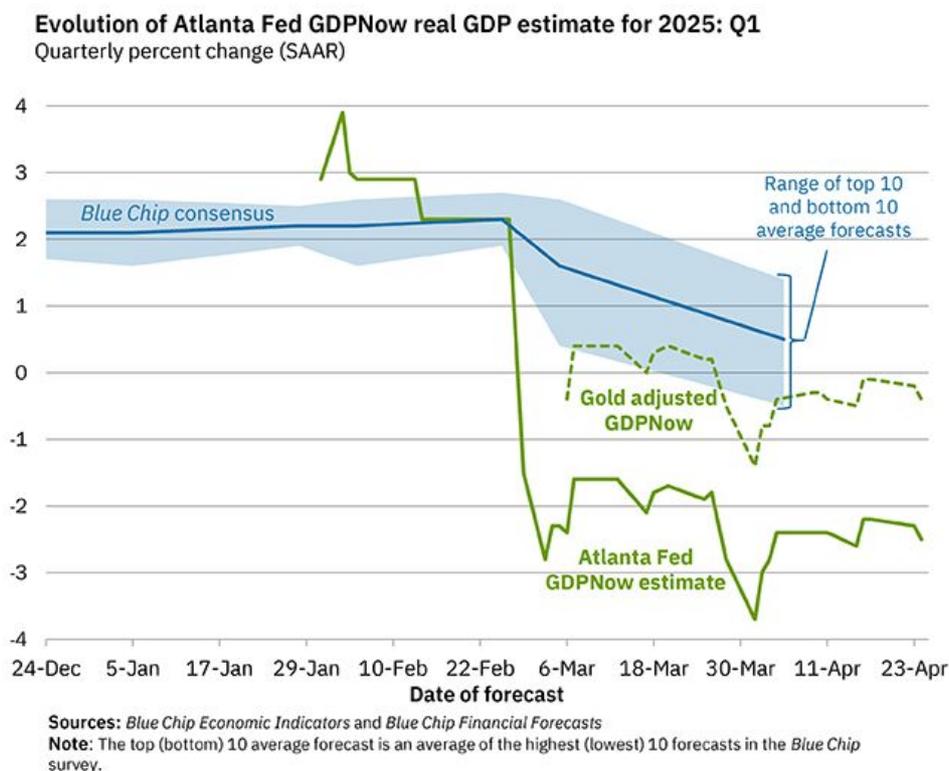


Figure 10. Evolution of Atlanta Fed GDPNow Real GDP Estimate for 2025: Q1

Since the 2008-09 Global Financial Crisis, the dollar has benefitted from the concept of "US exceptionalism." The phenomena, following the end of the GFC, which saw investors around the world investing in large unhedged positions that offered exposure to US assets.

According to a [study](#) from the National Bureau of Economic Research, about \$2 trillion worth of US investments held by foreign investors are still unhedged. If these investors decide to start hedging now—or move investments back to their home countries—the dollar could fall even further, as US assets are sold.

While many market participants anticipate further declines in the dollar’s value, uncertainty persists regarding both the timing and scale of such a move. On a historical basis, the lower dollar levels recorded during the height of the COVID-19 pandemic, suggest that substantial further depreciation is plausible.

The timing of additional depreciation largely hinges on two critical factors: consistency in US trade policy and forthcoming economic indicators. A Recent [Survey of Consumers from the University of Michigan](#), shows a significant weakening in US consumer sentiment, dropping to 52.2 in April, down from 57.0 in March. This decline marks four consecutive months of deteriorating sentiment driven by tariff-related economic uncertainty.

Final Results for April 2025

	Apr 2025	Mar 2025	Apr 2024	M-M Change	Y-Y Change
Index of Consumer Sentiment	52.2	57.0	77.2	-8.4%	-32.4%
Current Economic Conditions	59.8	63.8	79.0	-6.3%	-24.3%
Index of Consumer Expectations	47.3	52.6	76.0	-10.1%	-37.8%

Figure 11. Index of Consumer Sentiment (Source: University of Michigan)

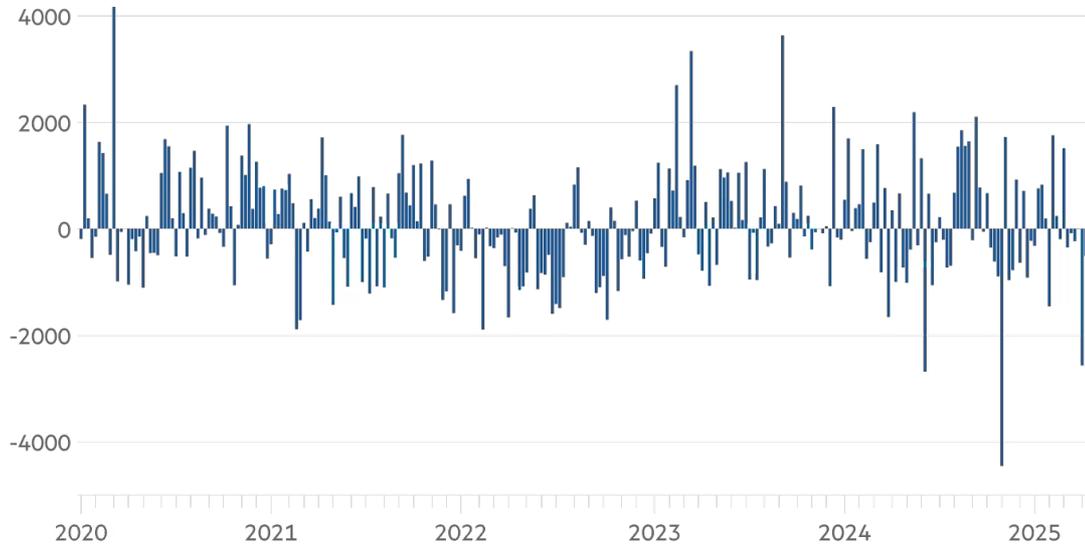
If key economic indicators such as employment and consumer spending continue to weaken, the Federal Reserve could respond by cutting interest rates, further reducing the appeal of dollar-denominated investments, and potentially accelerating currency depreciation.

Within currency markets, the dollar-yen pair is drawing particular attention. Analysts anticipate the yen to appreciate significantly against the dollar, driven by expected increases in Japanese investor repatriation flows and currency hedging activities that typically take place during US economic downturns. The yen traditionally strengthens during periods of economic stress, making it a favourable hedge against global market volatility or recessions.

Complicating this scenario is the policy stance of the Bank of Japan (BOJ), which has been slow in raising interest rates. The BOJ’s cautious approach contrasts sharply with Washington’s preference for a weaker dollar relative to the yen, which would help reduce the trade deficit. This mismatch could heighten tensions between the two countries. If Japan intervenes in currency markets by selling US Treasury holdings to strengthen the yen—as was seen recently with a \$20 billion Treasury sell-off—it would drive US yields upward, which is definitely not the scenario desired in Washington.

Japanese investors ditched long-term foreign debt in April

Net trading of long-term foreign fixed income (¥bn)



Source: Ministry of Finance Japan

Figure 12. Japanese Investors Selling Long-Term Foreign Debt in April
(Source: Ministry of Finance Japan)

In conclusion, the recent depreciation of the US dollar reflects deeper economic adjustments and shifting global dynamics. The dollar's trajectory will be heavily influenced by US economic data, governmental policy coherence, and central bank actions.



NEWS FROM THE CRYPTO-SPHERE



Federal Reserve Eases Crypto-Asset Rules



Figure 13. Federal Reserve Eases Crypto-Asset Rules to Encourage Innovation

- **The Federal Reserve withdrew several crypto-asset supervisory guidance documents to better support innovation**
- **The move simplifies procedures for banks engaging in crypto and dollar token activities and signals a more adaptive regulatory stance**

Last Thursday, April 24th, the Federal Reserve Board [rescinded several supervisory guidance documents](#) related to banks' crypto-asset and 'dollar token' activities. This decision aims to align Fed policy with a more accommodative crypto regulatory environment in the US.

Among the key changes, the Federal Reserve withdrew its 2022 supervisory letter that previously required state member banks to notify regulators in advance of any planned or ongoing crypto-asset activities. Going forward, crypto-related activities will be monitored through standard supervisory processes, eliminating the need for prior notification.

In addition, the Fed has withdrawn its 2023 supervisory letter that outlined a "non-objection" process for banks participating in dollar token activities. This move reduces procedural hurdles for banks seeking involvement in dollar-linked digital tokens, such as stablecoins.



The Fed also announced that, alongside the Federal Deposit Insurance Corporation, it will join the Office of the Comptroller of the Currency in withdrawing two joint statements issued in 2023, highlighting risks associated with crypto-asset activities and liquidity risk in crypto markets.

The Board emphasised that these changes are intended to ensure regulatory alignment with the shifting risk appetite towards the crypto industry, and the desire to promote technological advancement in the financial sector. The Fed also reiterated its commitment to working alongside other agencies to evaluate whether additional guidance will be needed in the future to maintain innovation and financial stability.

For the crypto market, this could mean a more favourable environment for institutional adoption of digital assets, including stablecoins and tokenised dollars. Increased participation by regulated banks could enhance the credibility and stability of certain crypto projects, potentially boosting confidence in the sector. However, the Fed's commitment to "monitor evolving risks" suggests that stricter oversight could still return if market instability resurfaces.

Securitize and Mantle Launch \$400M MI4 Crypto Index Fund



Figure 14. Securitize and Mantle Launch \$400M MI4 Crypto Index Fund to Advance Real-World Asset Tokenisation

- **Securitize and Mantle launched the MI4 crypto index fund with a \$400M commitment, offering regulated, diversified exposure to major cryptocurrencies for institutional and accredited investors**
- **The partnership highlights the growing integration of blockchain into traditional finance, setting a new standard for compliant crypto investing and advancing tokenisation in asset management**

Securitize, a real-world asset (RWA) tokenisation platform, unveiled last Thursday, April 24th, a new crypto index fund, backed by a \$400 million commitment from Mantle, a Layer 2 blockchain project built on Ethereum. This fund aims to offer investors diversified exposure to major cryptocurrencies through a regulated and transparent investment vehicle. The MI4 fund is designed to track a curated basket of leading crypto assets, providing institutional and accredited investors with a streamlined entry point into the digital asset market

The partnership underscores a growing trend of integrating blockchain technology into conventional financial products. By leveraging Securitize's experience offering compliant digital securities, backed by Mantle's significant investment, the MI4 fund could become one of the leading crypto index investors.



The launch of the MI4 fund reflects the increasing demand for regulated crypto investments, and highlights the potential of tokenisation in transforming asset management. As regulatory frameworks continue to evolve, collaborations like that of Securitize and Mantle are poised to play a pivotal role in shaping the future of finance by seamlessly integrating digital assets into mainstream investment portfolios.

CME Group to Launch XRP Futures



Figure 15. CME Group to Launch XRP Futures

- **CME Group will launch cash-settled XRP futures on May 19th, 2025 , expanding its crypto offerings beyond Bitcoin and Ether and reflecting rising institutional interest in altcoins**
- **The move follows a relatively strong increase in the XRP price year-to-date and the SEC settlement reached by Ripple. The launch of XRP futures should further boost XRP liquidity, price discovery, and integration into mainstream finance**

The Chicago Mercantile Exchange (CME) Group [announced plans](#) last Wednesday, April 23rd, to introduce cash-settled futures contracts for XRP, the digital asset associated with Ripple Labs. This move marks a significant expansion of CME's cryptocurrency derivatives offerings, which currently include Bitcoin and Ether futures, and underscores the growing institutional interest in altcoins beyond the dominant cryptocurrencies.

The proposed XRP futures contracts are designed to cater to both institutional and retail investors, and will offer both standard and micro-sized contracts to accommodate a range of investment strategies. These contracts will be financially settled on a monthly basis and will feature functionalities such as Basis Trade at Index Close (BTIC) and block trading, providing traders with enhanced flexibility and precision in managing their exposure to XRP.



The introduction of XRP futures is timely, as XRP has demonstrated resilience in 2025, appreciating by 5.3 percent year-to-date, while Bitcoin and Ether have experienced declines. This performance, coupled with Ripple Labs' recent settlement of a lawsuit with the US Securities and Exchange Commission over alleged unregistered securities sales, has bolstered confidence in XRP's regulatory standing and market potential.

CME's initiative aligns with a broader trend of integrating cryptocurrencies into mainstream financial markets. The launch of XRP futures is expected to enhance liquidity, facilitate price discovery, and provide a regulated avenue for investors to gain exposure to XRP without directly holding the underlying asset. This development also paves the way for potential future products, such as XRP-based exchange-traded funds.

CME Group's expansion into altcoin derivatives signifies a pivotal moment in the convergence of traditional finance and digital assets, offering investors diversified tools to navigate the evolving landscape.



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