

MONITORING OF RUSSIA'S ECONOMIC OUTLOOK

trends and challenges
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THE CRYPTOCURRENCY MARKET IN AUTUMN 2025

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The cryptocurrency market capitalization hit new highs in October 2025, as did a number of leading cryptocurrencies (including Bitcoin), after which market indicators fell back to their levels at the beginning of the year. The decline in the second half of autumn is largely due to the macroeconomic background and political factors. Despite this, the digital asset market continues to institutionalize, as evidenced by both the demand for certain cryptocurrency exchange-traded funds and the successful launch of new products based on altcoins.

In the first half of autumn, the cryptocurrency market maintained an upward trend, continuing the growth of previous months. In early October, the cryptocurrency market capitalization peaked at \$4.2 trillion, adding 11% from the beginning of September (or +28.8% from the beginning of the year). However, starting in the second half of October, the capitalization of digital assets began declining: in six weeks, the market lost about \$1.2 trillion in capitalization (Fig. 1). By December 8, the total volume of crypto assets was estimated at approximately \$3 trillion, almost 27% below the October highs and even 6% below the level at the beginning of the year.

In September-December 2025, the crypto market volatility was mainly driven by external macroeconomic and political events, which also affected traditional

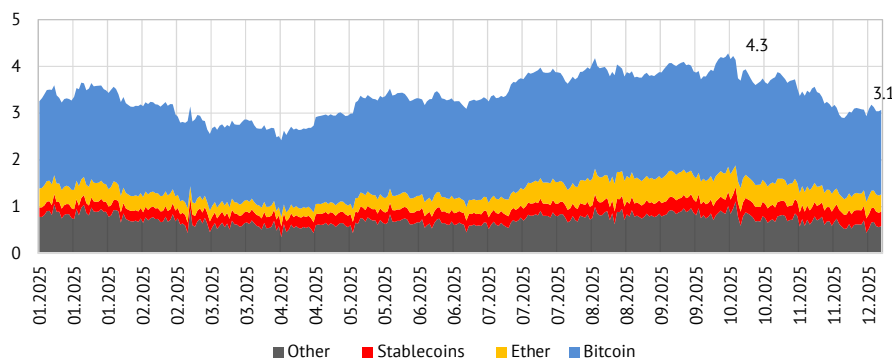


Fig. 1. Dynamics of the capitalization of the entire cryptocurrency market and its individual components (Bitcoin, Ethereum, stablecoins, etc.)

Sources: coinmarketcap.com and defillama.com.

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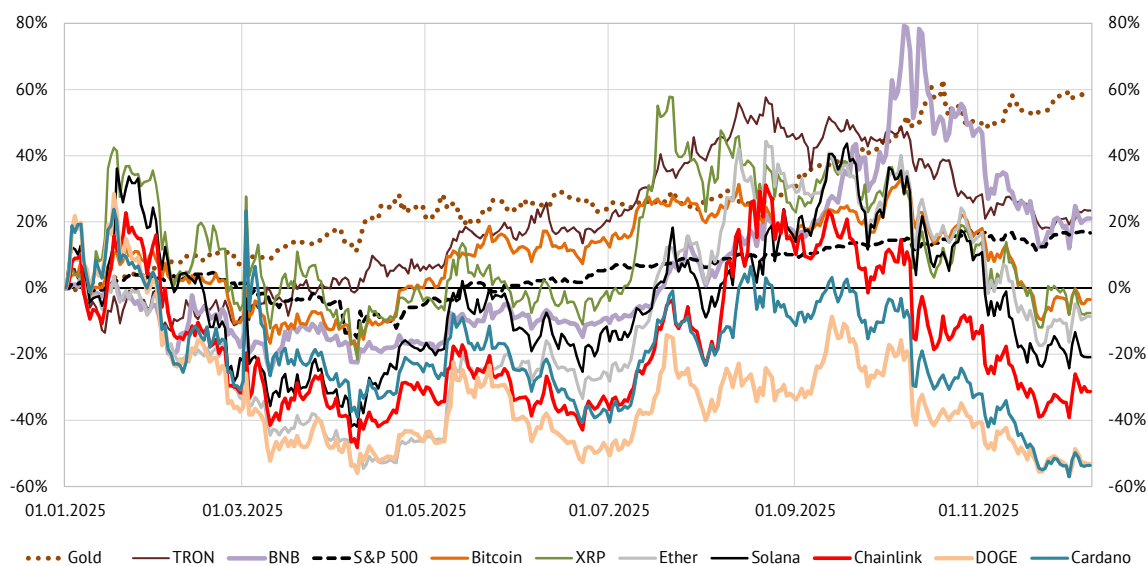


Fig. 2. Dynamics of capitalization of major crypto assets and stock indices from January 9, 2025, to August 12, 2025

Sources: coinmarketcap.com and yahoo.finance.

assets. However, the reaction of crypto asset prices was significantly higher, which ultimately led to the market losing all of its growth since the beginning of the year (Fig. 2).

In the fall of 2025, global markets closely watched the US Federal Reserve (Fed) in anticipation of the regulator's move to lower interest rates, which happened at the end of September for the first time in nine months. At the end of October, the Fed lowered the rate again, bringing the target range to 3.75–4.00%.¹ The easing of monetary policy in the US spurred growth in both stocks and cryptocurrencies. On October 6, the price of Bitcoin, the largest cryptocurrency by market capitalization, reached a new all-time high, exceeding \$126,000.

However, on October 10, one of the strongest corrections in risky assets in the second half of 2025 followed, triggered by a sudden escalation of the US-China trade conflict (the announcement of 100% US tariffs on Chinese imports). While the US S&P 500 index fell by 3.4%, Bitcoin experienced its sharpest intraday decline in 2025, falling by more than 14% during the day (from \$121,700 to \$104,500). A similar situation was observed across the entire cryptocurrency market, with the scale of the decline often significantly higher. While cryptocurrencies of such large blockchain platforms as Ethereum, Solana, and BNB fell by 20-23%, other large-cap cryptocurrencies showed peaks of 46% (XRP), 54% (DOGE, LINK), 59% (ADA), 63% (AVAX), and even 75% (TON). The only exception was TRX (TRON), whose price fell by only 6%. All this led to the largest liquidation of margin positions in the history of the cryptocurrency market: in less than 12 hours, traders' positions worth approximately \$19.2 billion were forcibly liquidated.²

In addition to the situation surrounding tariffs, on October 10, important information also emerged from MSCI, a leading financial company that creates and maintains stock indices. In its announcement,³ MSCI stated its intention

1 URL: <https://www.jpmorgan.com/insights/global-research/economy/fed-rate-cuts>

2 URL: <https://www.coinglass.com/pro/futures/liquidation-events>

3 URL: https://app2.msci.com/webapp/index_ann/DocGet?pub_key=0bZz7Im3vZU%3D&lang=en

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to exclude from all its indices companies whose activities are largely related to the accumulation of cryptocurrencies in their accounts (so-called Digital Assets Treasuries, DAT) or whose assets are more than 50% digital currencies. MSCI argues that such companies have the characteristics of investment funds, whose shares are not included in MSCI indices. A significant part of the positive narrative surrounding cryptocurrencies in 2025 is created by public DAT companies, whose number has doubled to 142 this year.¹ Such companies probably expected their stock capitalization to grow due to the growth of the cryptocurrency market, which would lead to their inclusion in various stock indices. This, in turn, would force other investment funds (ETFs) that replicate the dynamics of such indices to buy shares of DAT companies and further “drive up” their capitalization, which would allow them to raise money again (for example, through a secondary offering of shares) and reinvest it in cryptocurrencies.

Some analysts suggest² that after October 10, cryptocurrencies continued their decline globally precisely because of this news. For example, the price of Bitcoin returned to the \$115,000 mark on October 27–28, but from the end of October, the downward trend continued, and by November 21, the price had fallen to \$80,600, approaching the lowest values for the year (\$74,500 in April 2025), which were also linked to the “tariff wars.” Thus, at the beginning of December 2025, after some upward correction, Bitcoin is trading at around \$91,000, which is 2% lower than the price of Bitcoin at the beginning of the year.

MSCI is not the only company that takes a cautious stance towards DAT companies. Since the summer of 2025, the largest public holder of Bitcoin (3.2% of the total supply), Strategy³ (formerly known as MicroStrategy), has begun to meet the formal criteria (capitalization, profit, liquidity) to be included in the S&P 500 list of companies.⁴ However, since September, the index committee has rejected Strategy’s application for inclusion twice.

Despite the fact that Strategy, in addition to accumulating Bitcoin, is also engaged in the development of BI analytics software, its direct operating activities for the first nine months of 2025 generated a profit of \$246 mn, while taking into account the revaluation of Bitcoin, the company’s total pre-tax profit amounted to \$12 bn.⁵ The company’s strategy of issuing convertible bonds secured, in essence, by Bitcoin on the company’s balance sheet for the subsequent repurchase of cryptocurrency is considered quite risky,⁶ as it is entirely based on the expectation of further growth in the price of the first cryptocurrency. In response, in early December, the company announced the formation of a fiat reserve fund of \$1.44 bn for coupon payments on bonds and dividends on preferred shares.⁷

Other volatile cryptocurrencies (“altcoins”) showed similar dynamic. Thus, Ether (ETH), the second largest crypto asset by market capitalization, after updating its historical highs on August 24 (\$4,953), was already trading in the

1 URL: <https://www.coingecko.com/research/publications/datco-report-2025>

2 URL: <https://www.coindesk.com/opinion/2025/12/02/why-the-market-crashed-on-october-10-and-why-it-s-struggling-to-bounce>

3 URL: <https://www.ccn.com/news/crypto/michael-saylor-strategy-snubbed-500-again/>

4 However, the company’s shares are included in the NASDAQ 100 index.

5 URL: https://www.strategy.com/press/strategy-announces-third-quarter-2025-financial-results_10-30-2025

6 URL: <https://economictimes.indiatimes.com/news/international/us/is-michael-saylors-biggest-bet-in-trouble-as-bitcoin-price-crashes-to-83000-microstrategy-stock-collapses-as-saylors-bitcoin-bet-faces-a-test/articleshow/125487413.cms>

7 URL: <https://www.coindesk.com/markets/2025/12/01/strategy-establishes-usd1-44b-cash-reserve-slashes-2025-profit-btc-yield-targets>

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range of \$3,700–4,200 in September-October, and during the market decline in November, it fell to \$2,622. As of early December, Ether was trading at \$3,100 (8% below the level at the beginning of the year). The price of the XRP cryptocurrency, which strengthened in September due to the settlement of a lawsuit between the issuing company Ripple and the US Securities and Exchange Commission (SEC), also corrected in the fall to the level at the beginning of the year, from \$2.7 to \$2.0. The Solana (SOL) cryptocurrency experienced a surge of interest in October amid news of the prospects for the launch of an ETF, rising to \$250 (+20% from the beginning of the year), but then its price collapsed along with the entire market in October-November. A similar situation was observed in almost all altcoins.

The dynamics of the cryptocurrency market were also reflected in the demand for cryptocurrency exchange-traded funds (ETFs). From the beginning of the year to the beginning of September, the total inflow of investor funds amounted to \$16.8 bn in Bitcoin and \$9.9 bn in Ether funds. In September-October, the inflow of funds continued overall, amounting to approximately \$5.7 bn and \$855 mn for the first and second cryptocurrencies, respectively. However, in November-December, there was a net outflow of \$3.6 bn and \$1.4 bn from BTC and ETH funds, with the outflow from Ethereum-related products in November alone offsetting the entire increase in September-October.

There have also been changes in the regulation of crypto ETFs: in mid-September, the SEC approved new generic listing standards for exchange-traded products, which significantly simplified the registration of new ETFs without the need to go through a lengthy approval process for each product.¹ One of the first funds to appear under the updated standard was the Grayscale Digital Large Cap Fund (GDLC), which immediately invests in Bitcoin, Ether, XRP, Solana, and Cardano. Another significant event in this regard was the launch on October 28 of the first spot ETF on Solana (BSOL from Bitwise), which features the ability to stake. In other words, by attracting investor funds, the fund not only acquires SOL, but also places them in staking, becoming a validator of the Solana network, for which it receives additional income, which is then reinvested back into the fund. The BSOL fund was able to attract about \$420 million in investments during its first week of trading.²

Overall, the cryptocurrency market is experiencing a slight downturn as of early December 2025. Despite the ongoing institutionalization of the market (inflows into ETFs and the simplification of creating new products), prices for most cryptocurrencies fell below their value at the beginning of the year. The dynamics of cryptocurrencies in the fall were largely determined by events external to the crypto market: the macroeconomic background, the actions of the Fed, and trade wars. It is difficult to say at this point whether this is just a temporary correction or the beginning of a downward trend. ▲

1 URL: <https://www.sec.gov/newsroom/press-releases/2025-121-sec-approves-generic-listing-standards-commodity-based-trust-shares>

2 URL: <https://www.reuters.com/sustainability/boards-policy-regulation/bitwise-sparks-industry-scramble-with-solana-etf-launch-2025-11-11/>