



 Grok

SEBAL CAPITAL

December, 2025

Monthly Research Report

December 2025

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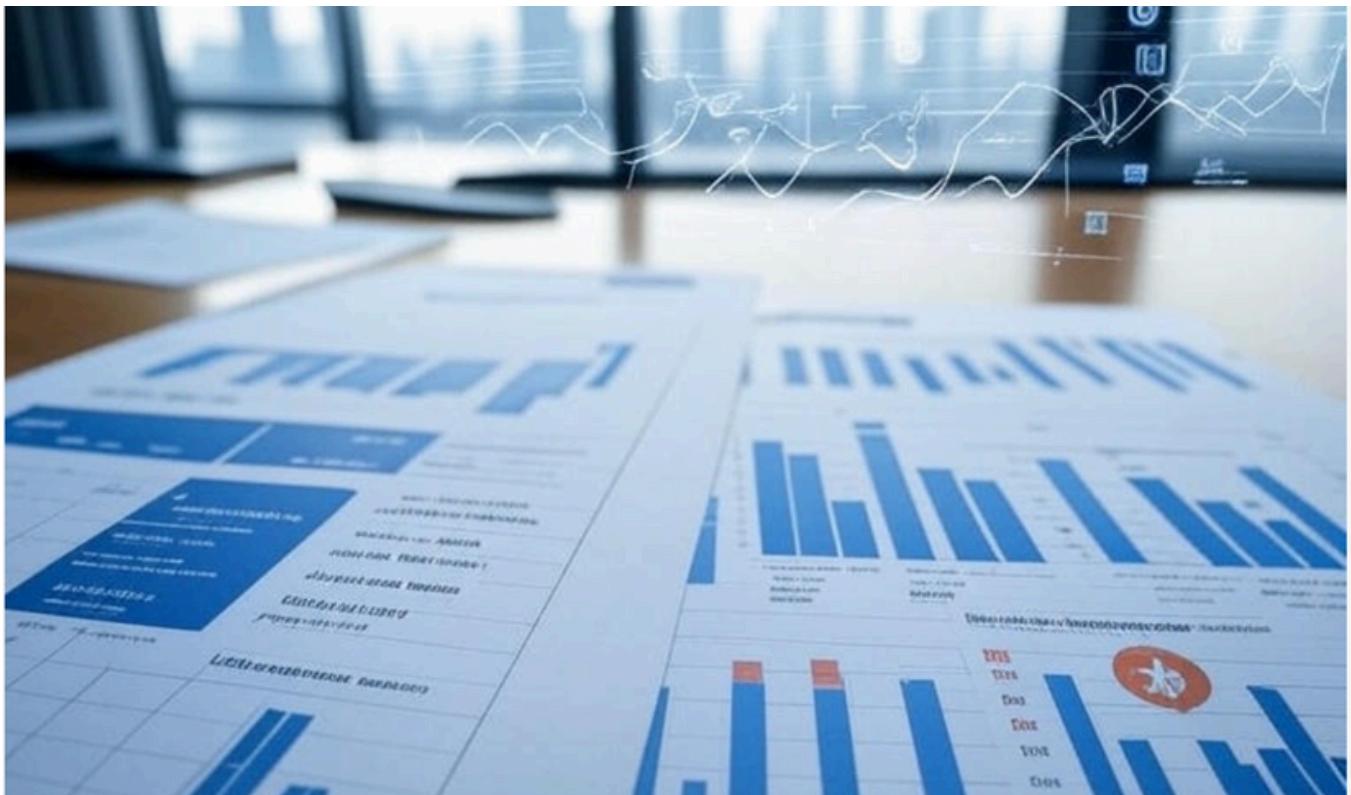


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Executive Summary

November 2025 broke the script. In every previous post-halving bull year, November delivered strong gains (Bitcoin historically +36% on average). This time, Bitcoin fell 17.3%, its worst month of the year – dropping from above \$105,000 to under \$88,000. The total market lost 23% and closed at \$3.2 trillion. The main drivers were not crypto-specific: the Fed slowed expected rate cuts, Japanese bond yields spiked to 17-year highs, and institutions took profits after the strong run earlier in the year. Crypto is now clearly trading like a macro asset.

Volatility returned with force. We saw the biggest single-day liquidations of 2025 (over \$2 billion) and spot trading volume on exchanges collapsed 27% to only \$1.59 trillion – the lowest level since June. Leverage was cleaned out quickly, but long-term holders barely sold, which is a healthy sign for the cycle. The sharp drawdown flushed out over-extended positions and reset funding rates to neutral.

Institutional flows turned sharply negative. U.S. Bitcoin ETFs recorded \$3.5 billion of outflows and Ethereum ETFs lost \$1.4 billion, ending a seven-month inflow streak. Yet the final trading day of the month saw modest Bitcoin ETF inflows return, a classic signal that heavy selling may be nearing exhaustion. Options markets remained active, with CME setting a new daily volume record and the \$13.3 billion monthly expiry pinning price action around \$90,000.

Corporate Bitcoin treasuries (DAT companies) felt the pain too. The roughly 1,450 public and private companies now holding Bitcoin saw the value of their treasuries drop in line with the market. Top performers that layered yield strategies still underperformed spot BTC by 5-8% in November, underlining how hard it is to generate alpha when macro headwinds dominate.

DeFi TVL dropped 31% to \$114 billion and stablecoins lost \$4.5 billion in market cap, but both declines were smaller than the fall in ETH and major tokens – showing money rotated rather than fled the ecosystem entirely. Real-world assets (RWAs) continued their steady climb, with tokenized market value holding near \$36 billion (+260% YTD) and new institutional platforms launching weekly.

November reminded us that even in a bull market, macro matters more than ever. The correction cleared excessive leverage and weak hands while on-chain fundamentals (RWA growth, stablecoin utility, corporate adoption) kept improving. With price now 10-12% above the monthly low and year-end liquidity thin, we see this as a normal mid-cycle shakeout, not the start of a bear market.

Bitcoin Monthly returns(%)												coinglass
BTC	Daily returns(%)	Weekly returns(%)	Monthly returns(%)	Quarterly returns(%)								
Time	January	February	March	April	May	June	July	August	September	October	November	December
2025	+9.2%	-17.39%	-2.3%	+14.08%	+10.99%	+2.49%	+8.13%	-6.49%	+5.16%	-3.69%	-17.67%	
2024	+0.62%	+43.55%	+16.81%	-14.76%	+11.07%	-6.96%	+2.95%	-8.6%	+7.29%	+10.76%	+37.29%	-2.85%
2023	+39.63%	+0.03%	+22.96%	+2.81%	-6.98%	+11.98%	-4.02%	-11.29%	+3.91%	+28.52%	+8.81%	+12.18%
2022	-16.68%	+12.21%	+5.39%	-17.3%	-15.6%	-37.28%	+16.8%	-13.88%	-3.12%	+5.56%	-16.23%	-3.59%
2021	+14.51%	+36.78%	+29.84%	-1.98%	-35.31%	-5.95%	+18.19%	+13.8%	-7.03%	+39.93%	-7.11%	-18.9%
2020	+29.95%	-8.6%	-24.92%	+34.26%	+9.51%	-3.18%	+24.03%	+2.83%	-7.51%	+27.7%	+42.95%	+46.92%
2019	-8.58%	+11.14%	+7.05%	+34.36%	+52.38%	+26.67%	-6.59%	-4.6%	-13.38%	+10.17%	-17.27%	-5.15%
2018	-25.41%	+0.47%	-32.85%	+33.43%	-18.99%	-14.62%	+20.96%	-9.27%	-5.58%	-3.83%	-36.57%	-5.15%
2017	-0.04%	+23.07%	-9.05%	+32.71%	+52.71%	+10.45%	+17.92%	+65.32%	-7.64%	+47.81%	+53.48%	+38.89%
2016	-14.83%	+20.08%	-5.35%	+7.27%	+18.78%	+27.14%	-7.67%	-7.49%	+6.04%	+14.71%	+5.42%	+30.8%
2015	-33.05%	+18.43%	-4.38%	-3.46%	-3.17%	+15.19%	+8.2%	-18.67%	+2.35%	+33.49%	+19.27%	+13.83%
2014	+10.03%	-31.03%	-17.25%	-1.6%	+39.46%	+2.2%	-9.6%	-17.55%	-19.01%	-12.95%	+12.82%	-15.11%
2013	+44.05%	+61.77%	+172.76%	+50.01%	-8.56%	-29.89%	+9.6%	+30.42%	-1.76%	+60.79%	+449.35%	-34.81%
Average	+3.81%	+13.12%	+12.21%	+13.06%	+8.18%	-0.14%	+7.60%	+1.12%	-3.08%	+19.92%	+41.12%	+4.14%

Macroeconomic & Market Overview

Macroeconomic picture

November was marked by a sharp deterioration in risk sentiment as tightening liquidity, weak consumer signals, and geopolitical uncertainty converged into a broad-based market drawdown. U.S. macro data softened at the margin—consumer confidence slipped, hiring cooled, and inflation indicators flattened—while liquidity conditions tightened meaningfully through elevated TGA balances, heavier Treasury issuance, and stress emerging in short-term funding markets. These liquidity drains spilled directly into crypto, where leverage unwound rapidly and correlations to equities and global growth assets tightened, driving a swift repricing across majors. Despite the selloff, underlying on-chain activity remained stable, and forward-looking liquidity measures suggest the worst of the drain may be passing. November ultimately served as a reminder that in the current regime, macro liquidity, not halving cycles, remains the dominant force shaping crypto market direction.

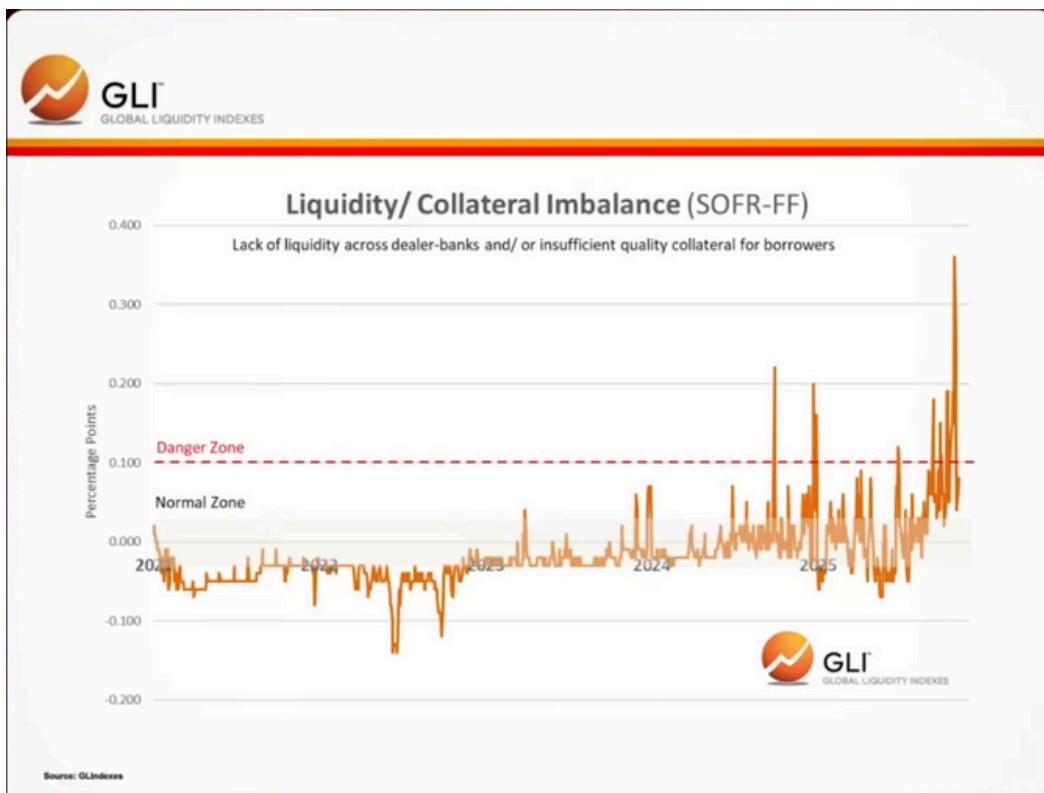
United States – Policy, liquidity, and growth dynamics:

The U.S. economy showed resilience amid headwinds, with Q3 GDP growth clocking in at 2.5-3.0%, fueled by robust consumer spending and tech investments, though full-year forecasts temper to 2.0% as tariffs and immigration curbs bite. Inflation eased slightly, with PCE at 2.7% through August and Truflation (an alternative CPI gauge) signaling core pressures below 3% by month-end, supported by softening energy prices. Yet consumer confidence cratered to 88.7 from 95.5, the lowest since mid-2024, as households grappled with sticky wage growth and election uncertainty.



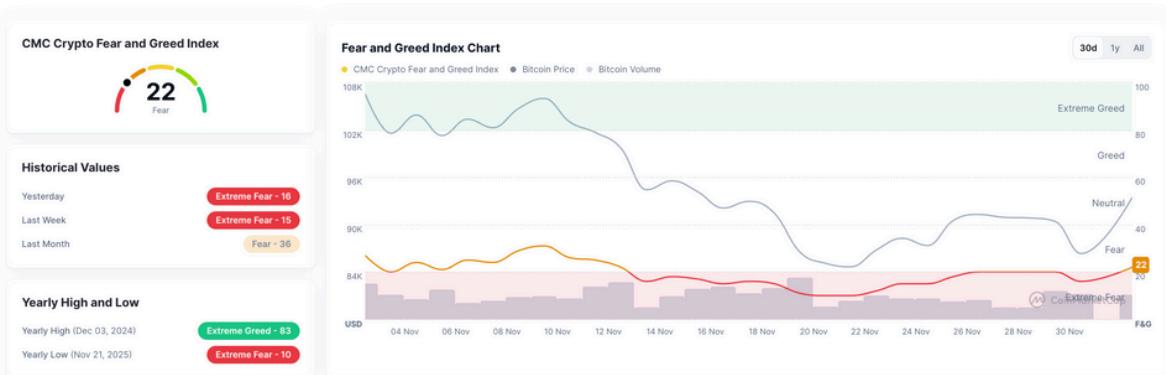
Liquidity Conditions and Shutdown Impact

Liquidity tightened sharply in November, amplified by the government shutdown, which pushed the Treasury General Account (TGA) above \$960 billion and drained nearly \$100 billion per month from markets. The SOFR-FF spread widened to 15 basis points—its highest since 2020—signaling collateral stress and reduced dealer balance-sheet capacity. Global Liquidity Index (GLI) readings echoed this pressure, with debt-to-liquidity ratios approaching levels last seen during major refinancing stress episodes. As the Fed's liquidity growth flattened post-TGA rebuild, markets entered a pronounced “liquidity air pocket,” accelerating the risk-off shift across assets.



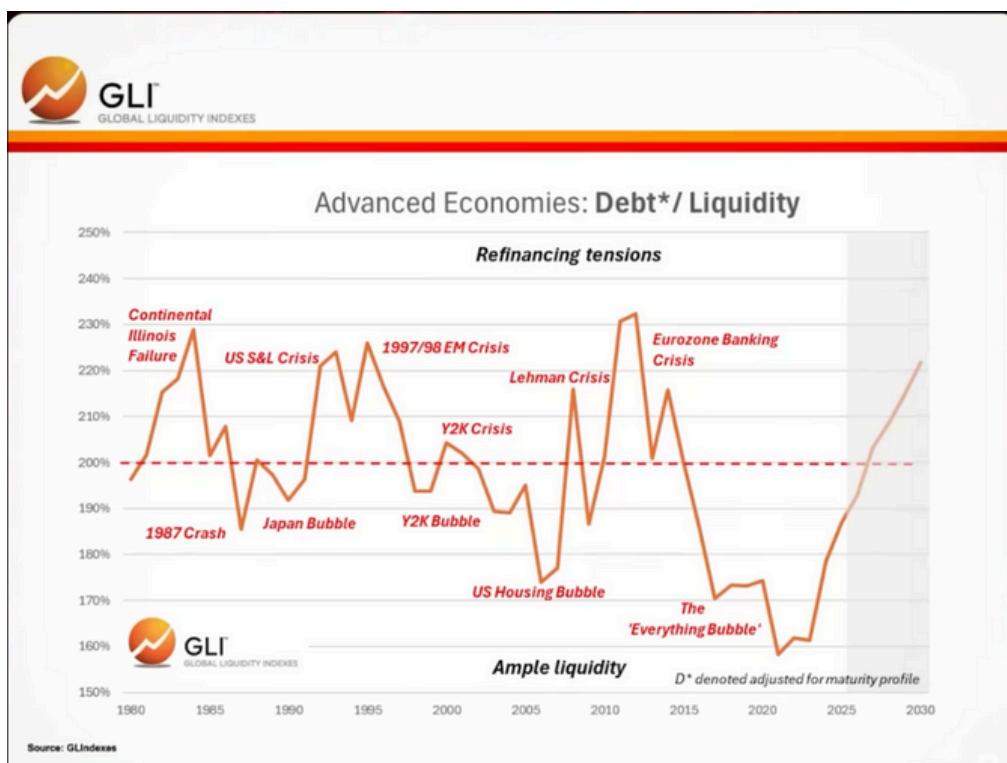
Sentiment and Market Reaction:

Sentiment plunged into extreme fear, with the Crypto Fear & Greed Index dipping to 11—an eight-month low—and Bitcoin pricing in the most bearish global growth outlook since COVID. Investors clung to the four-year Bitcoin cycle narrative, expecting parabolic gains in November's historical sweet spot (+36% average since 2013), but macro shocks flipped the script: BTC shed 17.3% to below \$88,000, erasing \$1 trillion in market cap amid a 36% peak-to-trough rout. This "this time it's different" moment highlighted crypto's maturing ties to traditional risk assets, where liquidity drains amplified deleveraging cascades and spot volumes cratered 27% to \$1.59 trillion.



Implications for crypto markets:

For crypto markets, November's implications are twofold: short-term pain from correlated selloffs, but long-term validation of fundamentals. The debt/liquidity cycle underscores how robust collateral and refinancing buffers are essential for stability; the purge reset overleveraged positions without eroding on-chain adoption. As TGA drawdowns resume post-shutdown—potentially injecting \$950 billion, akin to two Fed cuts—expect renewed inflows to risk assets by Q1 2026. We view this as a tactical dip, urging selective accumulation in BTC and ETH amid fading fear, with GLI nowcasts stabilizing above 50 signaling peak liquidity risks may have passed. Bitcoin's rebound to \$90,000+ hints at seller exhaustion, though thin year-end liquidity tests resilience



Macro Crypto Developments & Regulations

Regulatory Landscape - November Developments: Regulatory momentum accelerated in November, driving deeper institutional alignment despite market volatility. U.S. regulators advanced “Project Crypto,” a new SEC initiative outlined by Chairman Paul Atkins to streamline digital-asset oversight with a focus on transparency and market integrity. This coincided with expanded product approvals: Grayscale’s XRP and Dogecoin spot ETFs launched on November 24, alongside 21Shares’ two new crypto index products and Vanguard’s listing of Bitcoin-linked funds—broadening regulated access beyond majors like SOL and LTC. In Europe, MiCA implementation progressed with ESMA’s November 28 guidance on data standards and Spain extending grandfathering to 18 months, while Poland’s president vetoed a related bill over economic-freedom concerns. Global direction remained constructive, reinforced by JPMorgan’s rollout of tokenized-deposit and blockchain-payment pilots.

Key November Regulatory Milestones

- U.S. SEC greenlights Grayscale XRP and Dogecoin spot ETFs (November 24), plus 21Shares crypto index launches, broadening altcoin exposure options
- MiCA advances with ESMA guidance on data reporting standards (November 28) and Spain's extended grandfathering to mid-2026, easing transition for CASPs
- JPMorgan launches JPM Coin USD deposit token (JPMD) for institutional clients (November 12), enabling programmable payments via Kinexys blockchain
- U.S. crypto legislation progresses with five key bills on stablecoin prudentials and interoperability, per CertiK analysis, signaling comprehensive framework by 2026

Stablecoins & Tokenization (RWA) Adoption

Stablecoins and RWA tokenization remained resilient in November despite broader market weakness. Stablecoin market cap fell \$4.54 billion to \$301 billion—the first monthly drop in 26 months—though YTD expansion still sits at record highs supported by clearer rules such as MiCA's issuance framework. RWA tokenization held at \$35.78 billion on-chain (up 260% YTD), led by treasury products and institutional credit, with Solana's share rising to 5%. Standard Chartered now projects the sector reaching \$2 trillion by 2028, while JPMorgan's interoperability pilots with DBS advanced real-world settlement use cases..

November data points:

- Stablecoin market cap: \$303B (-1.5% MoM, +200% YTD)
- Monthly stablecoin transfers: \$4.65T (+2% MoM)
- RWA value on-chain: \$35.78B (+0.5% MoM, +260% YTD)
- Tokenized treasury-linked products expanded, with JPMD facilitating \$500M+ in cross-chain settlements across retail and institutional channels



Implications:

November was the moment crypto stopped pretending to be a four-year cycle island. It traded like a macro asset and got punished like one. The purge was painful but necessary: leverage cleared, weak hands exited, and long-term holder supply hit new highs. Beneath the price noise, the structural story strengthened, new altcoin ETFs launched, MiCA deadlines were clarified, JPMorgan rolled out tokenized deposits, and RWA pipelines kept growing. This is exactly how adoption happens: quietly on the regulatory and infrastructure side while price screams for attention.

The bull market is delayed, not derailed. Liquidity is the only thing that matters near-term, and the TGA rebuild is now reversing. When fiscal flows return (likely Q1), capital will come back faster than it left.

Theme	Current Signal (Nov)	Why It Matters
Liquidity & Funding	TGA peaked → drawdown starting	Biggest crypto tailwind in 2026; every \$100B drop = one Fed cut
Institutional Flows	Record ETF outflows, then late-month rebound	Classic capitulation pattern; inflows resume on volume recovery
Stablecoin Base	First contraction in 26 months	Temporary risk-off; supply will re-accelerate with lower rates
Regulatory Momentum	Alt ETFs live, MiCA clarity	Removes the last excuses for institutions sitting on the sidelines
Cross-Asset Correlation	BTC now tracks Nasdaq + yields	Crypto has graduated; treat it like a high-beta tech/risk asset

Performance of Key Cryptocurrencies

November 2025

November delivered a stark reversal from seasonal expectations, with a 23% market-wide contraction to \$3.2 trillion amid U.S. government shutdown fallout, Fed policy ambiguity, and surging bond yields. Liquidity shocks triggered cascading liquidations exceeding \$2 billion daily, purging leverage and exposing crypto's macro sensitivity. Bitcoin absorbed the brunt but held relative strength as a flight-to-quality asset, while Ethereum and Solana lagged with sharper drawdowns tied to ecosystem-specific rotations. XRP traded in a tight consolidation, underscoring its decoupling from broader volatility.

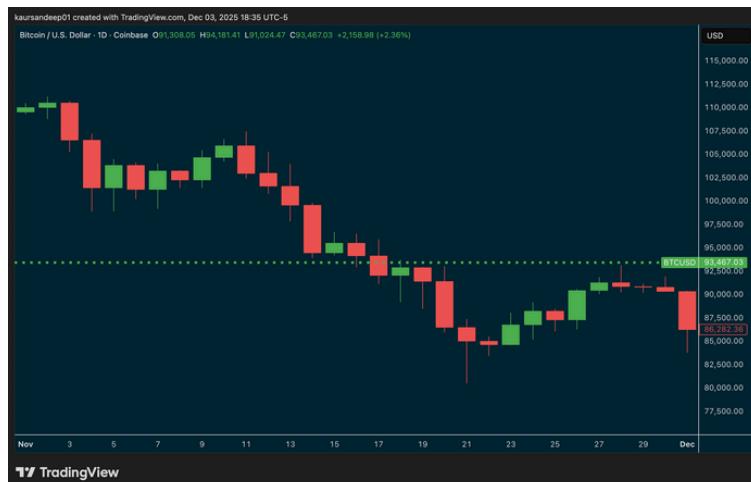
Bitcoin (BTC) – The Digital Store of Value

Performance: BTC plunged 17.3%, its worst monthly showing of 2025, from above \$105,000 to a trough near \$86,000, before a late rebound to close at \$93,467. The drop erased \$1 trillion in market cap but respected the \$85,000 structural support zone, signaling resilient long-horizon demand.

Key Drivers:

- Mid-month TGA surge to \$960 billion drained system liquidity, sparking forced deleveraging across derivatives with \$2+ billion in single-day wipes
- ETF outflows hit \$3.5 billion, yet late-month inflows of \$70 million hinted at capitulation exhaustion
- Relative rotation out of high-beta alts boosted BTC dominance to 58%, its highest since September

Outlook: BTC remains the anchor for digital-market liquidity, with structural flows intact amid volatility. Holding above \$90,000 supports medium-term momentum, while improving year-end conditions



Ethereum (ETH) - The Growth Engine of Digital Finance

Performance: ETH underperformed with a 38% rout, falling from ATH \$3900 to a low of \$2,700 before recovering to \$3,182. The decline amplified BTC's drawdown, reflecting capital rotation from DeFi amid TVL erosion to \$114 billion.

Key Drivers:

- Heightened sensitivity to risk-off flows, with ETH ETFs posting record \$1.4 billion outflows snapping a seven-month streak
- Ecosystem pressures from 40% drops in layer-1 tokens like LDO exacerbated the slide, lagging BTC by 20 points
- Options expiry pinned max pain at \$3,000, aligning with the trough and underscoring hedger dominance
- Stablecoin dip of \$4.5 billion indirectly squeezed ETH liquidity, though on-chain activity held steady

Outlook: ETH's correction lags BTC's, presenting tactical entry amid fading ETF redemptions. Regulatory tailwinds like MiCA custody rules could stabilize TVL, targeting \$3,500 on renewed inflows. Year-end thin liquidity risks further tests of \$2,800, but structural upgrades keep the medium-term bias intact.



Solana (SOL) – High-Performance Blockchain

Performance: SOL shed 25%, dropping from \$192 to \$126 before closing at \$144.66—a steeper hit than BTC but shallower than ETH—amid DEX volume spikes to 20% of CEX totals, highlighting network resilience.

Key Drivers:

- Beta exposure amplified the liquidity purge, with SOL ETFs seeing modest outflows of \$200 million versus BTC's scale
- RWA tokenization inflows captured 5% on-chain share, cushioning the fall despite broader altcoin rotation
- Hyperliquid platform liquidations hit \$36.7 million in oversized SOL positions, accelerating the mid-month flush
- Institutional pilots like JPMorgan's cross-chain tests buoyed late recovery, decoupling from pure speculation

Outlook: SOL's outperformance in DEX metrics signals ecosystem maturity, with \$150 as near-term resistance. As liquidity normalizes, tokenized asset growth could propel 30% upside to \$180 by year-end, though sustained ETF traction is key to narrowing the BTC gap



XRP – Cross Border Payment Solution

Performance: XRP consolidated sideways with a dip, trading from \$2.60 to \$1.80 before settling at \$2.0295. The range-bound action insulated it from the broader rout, trading at 2x BTC's monthly volatility.

Key Drivers:

- Regulatory tailwinds from ongoing CLARITY Act debates preserved neutral sentiment, avoiding altcoin-style deleveraging
- Stablecoin interoperability pilots with Ripple's network absorbed minor outflows, maintaining \$500 million in monthly volume
- Low-beta profile attracted tactical flows during risk-off, with open interest steady at \$1.2 billion

Outlook: XRP's stability reinforces its role as a macro hedge within crypto, with \$2.20 as upside pivot on bill progress. Medium-term, tokenized payments growth eyes \$3 by mid-2026, but year-end flows hinge on U.S. policy clarity.



Summary (Sebal Capital - November 2025)

November 2025: the month the four-year cycle went to die.

Asset	Nov Start	Nov End	Return	Intramonth Low
BTC	\$105k	\$93,467	-17.3%	\$80,462
ETH	\$4,150	\$3,182	-38.0%	\$2,798
SOL	\$192	\$144.66	-25.0%	\$126.66
XRP	\$2.60	\$2.0295	-2.0%	\$2.00

Key Takeaways

- Liquidity won, seasonality lost.
- Bitcoin ate everyone else's lunch and still lost 17%.
- \$3.5B ran out of BTC ETFs, then quietly started trickling back.
- XRP basically took the month off.
- Leverage got cremated, long-term holders got richer, and the market grew up in 30 brutal days.

We harvested volatility, added on the dip, and kept the core allocation. Same plan, cleaner market.

Sebal Capital Strategies

Recent Market Downturn Highlights the Cost of Unprotected Crypto Exposure

In the past month alone, Bitcoin has declined as much as 36% from its 2025 all-time high, pushing year-to-date returns into negative territory for the first time in several years. Many alternative coins have performed even worse. This sharp drawdown has caught a large portion of the crypto community off-guard, particularly those adhering to the traditional “buy-and-hold” philosophy that delivered extraordinary returns over the previous decade.

While long-term conviction in Bitcoin remains valid, the nature of the asset is evolving. As Bitcoin matures into a recognized macro asset, the explosive parabolic rallies of prior cycles are becoming less frequent and less pronounced. What we are witnessing instead is increased periodicity of 30–50% drawdowns — moves that are now a normal feature of a \$2 trillion+ asset class influenced by global liquidity, interest-rate expectations, and institutional flows.

A 40%+ loss, even if temporary, represents significant opportunity cost and emotional stress for investors. The Crypto Fear & Greed Index recently hit an extreme low of 6, reflecting widespread capitulation and disillusionment.

This is precisely the environment in which structured downside-protected strategies and yield-enhancing hedged approaches deliver their greatest relative value.

Hard Downside Protection (–10% or –20% Max Drawdown)

While spot Bitcoin can erase 40% of portfolio value in weeks, our protected structures cap annual losses at 10% or 20%, contractually, regardless of how deep the market sells off. In the recent drawdown, investors in these strategies would have absorbed only a fraction of the volatility experienced by unhedged holders.

Covered-Call Yield (5.5% Quarterly / 22% Annualized Target)

Our covered-call framework generates steady income while preserving meaningful upside and adding a built-in premium cushion. In the maturing Bitcoin regime, characterized by ranges, failed breakouts, and fewer parabolic expansions, this approach has historically delivered equity-like returns with far lower volatility.

Sebal Capital Strategies

Asymmetry That Works For You

When volatility spikes, investors often call protection “expensive,” yet the past month illustrates the real cost: remaining fully exposed. Our structures convert Bitcoin’s open-ended left-tail risk into a known, controlled boundary while maintaining long-term upside participation.

Bottom line: The 2025 crypto winter reinforced that old cycle patterns won’t reliably repeat. Treating Bitcoin as a set-and-forget allocation now carries career-risk-level drawdowns. Allocating even a slice of a portfolio to downside-protected or yield-enhanced strategies is no longer optional—it’s becoming the responsible way to stay invested through the full market cycle.

Forward Outlook - December and Year End 2025

December opens with a materially different market backdrop than November's volatility spike. The forced deleveraging has run its course, and positioning across majors is now cleaner, with funding rates normalized and leverage back to early-2025 levels. Liquidity expectations have improved as markets shift focus from QT's conclusion to the first signs of policy easing in early 2026. ETF flows remain positive even through drawdowns, signaling that institutional demand has not wavered. With sentiment washed out and structural inflows intact, December sets the stage for a more balanced finish to the year.

Key Drivers We Are Watching

- **Post-Reset Market Structure:** The November shock flushed out excess leverage, leaving the market in a healthier state for new risk-taking. Futures basis, funding, and perp open interest all reset to multi-month lows—conditions that historically precede constructive price behavior.
- **ETF and Institutional Flow Resilience:** Despite the sell-off, spot ETF subscriptions continued at a steady pace, indicating a durable base of institutional accumulation into year-end rebalancing windows.
- **Stabilizing Liquidity Expectations:** With QT now effectively complete, the focus turns to early-2026 rate-cut probability. Even modest improvement in liquidity expectations is typically enough to reduce tail-risk pricing and narrow volatility.
- **Settlement & Tokenization Momentum:** Real-world settlement volumes on BTC, ETH, and Solana continue trending higher, with RWAs and stablecoin flows showing minimal disruption. These rails remain one of the few areas showing persistent growth through the cycle.

Our Take: The worst of the deleveraging appears behind us, and December's backdrop is more constructive than price action suggests. Cleaner positioning, steady ETF demand, and stabilizing liquidity expectations reduce downside asymmetry into year-end. We expect risk appetite to improve modestly as markets position ahead of Q1

Key implications for the year-end

- **Bitcoin:** Supported by ongoing ETF inflows and a cleaner derivatives structure; reduced probability of forced selling.
- **Ethereum:** Benefiting from steady settlement flows and tokenization activity heading into year-end reporting cycles.
- **Solana:** Maintains high-beta leadership as enterprise and payment integrations expand.

Risks & Conclusion

Key Risks to Monitor

- **Liquidity Air-Pockets During QT Exit:** While QT formally concluded on December 1st, the transition phase may still produce temporary liquidity gaps as reserve balances stabilize and dealers adjust their balance sheets ahead of year-end.
- **Volatility From Year-End Rebalancing:** Pension, ETF, and systematic rebalancing flows in late December could introduce short, mechanical sell pressure, particularly if equities and crypto diverge sharply.
- **Funding-Market Fragility:** SOFR spreads and collateral premiums narrowed after November's spike, but remain sensitive; any renewed stress in repo markets could quickly tighten conditions for high-beta assets.
- **Regulatory Crosswinds Into 2026:** The U.S. continues to advance digital-asset frameworks, but Europe and Asia show uneven implementation timelines. Divergent policy paths may shape capital flows and jurisdictional liquidity.
- **Re-Leveraging Risk:** Following November's flush, traders have begun selectively re-adding leverage. If price recovers faster than liquidity, reflexive long positioning could amplify downside during pullbacks.

Conclusion

November's drawdown acted as a cleansing event rather than a structural break. Leverage reset, forced selling exhausted, and institutional flows into ETFs remained steady—all constructive signals as we head into December. With QT ending and liquidity expectations improving at the margin, the market enters year-end with a more stable foundation than the price action suggests. Still, funding conditions remain fragile, and year-end rebalancing could add noise. Our stance remains cautiously constructive: the core cycle drivers—on-chain settlement growth, stablecoin expansion, and institutional adoption—continue to strengthen, even as short-term volatility persists as part of crypto's evolution into a macro-linked asset class.

Appendix - Data Sources & References

This report leverages publicly available market data, macroeconomic indicators, ETF flow trackers, and on-chain analytics. Key reference sources include:

Market Performance & Pricing

TradingView – BTC, ETH, SOL, XRP spot price charts
<https://www.tradingview.com>

Institutional Flows & ETF Holdings

- CoinMarketCap – BTC & ETH ETF net flows, public-company BTC holdings: <https://coinmarketcap.com>
- Coinglass – ETF holdings dashboard, institutional tracking: <https://coinglass.com>

Options & Derivatives

- Coinglass – BTC & ETH options open interest, put/call ratios, liquidations: <https://coinglass.com/options>

Macro & Liquidity Indicators

- Federal Reserve Economic Data (FRED) – policy rates, money supply, <https://fred.stlouisfed.org>
- Federal Reserve Bank of Cleveland – inflation nowcasting & macro signals: <https://www.clevelandfed.org>

Stablecoins, RWAs & Tokenization

- rwa.xyz – Tokenized U.S. Treasuries, asset holder analytics: <https://rwa.xyz>

News & Regulatory Developments

- SEC, U.S. Treasury, BIS Innovation Hub releases
- Coinbase Institutional research
- Bloomberg / Reuters digital-asset regulatory coverage

Glossary of Terms

- **AUM (Assets Under Management):** The total market value of assets that an investment firm manages on behalf of clients.
- **Altcoins:** Cryptocurrencies other than Bitcoin, often representing blockchain projects with additional use cases (e.g., Ethereum, Solana).
- **Treasury Holdings (Corporate & Public) –** The BTC or ETH reserves held on balance sheets of companies (e.g., MicroStrategy, Tesla, Coinbase) as part of corporate strategy or treasury diversification.
- **BTC Dominance:** The percentage of the total crypto market capitalization represented by Bitcoin.
- **Call Option:** A financial contract giving the holder the right, but not the obligation, to buy an asset at a specific price within a set period.
- **Covered Call Strategy:** An options strategy where an investor holds a long position in an asset and sells call options on that same asset to generate income.
- **ETF (Exchange-Traded Fund):** A tradable investment vehicle that tracks the price of an underlying asset, such as Bitcoin or Ethereum, and is listed on stock exchanges.
- **Liquidity:** The ease with which an asset can be bought or sold without significantly affecting its price.
- **OI (Open Interest):** The total number of outstanding derivative contracts (options or futures) that have not been settled.
- **Options (Calls & Puts):** Derivatives giving investors the right to buy (call) or sell (put) an asset at a predetermined price before expiration.
- **TGA (Treasury General Account):** U.S. Treasury account at the Fed; rising balances often withdraw liquidity, while declines release it.
- **Reverse Repo (RRP):** Facility where money-market funds park capital at the Fed; lower balances generally signal liquidity flowing back into markets.
- **Liquidity Sentiment:** A measure of how abundant or tight financial liquidity is in the system, often impacting risk asset performance such as equities and crypto.
- **Macro Backdrop:** The broader global economic environment (interest rates, inflation, fiscal policy, geopolitics) that influences asset markets.
- **Net Liquidity:** Key macro measure: Fed balance sheet + RRP – Treasury General Account (TGA); closely tied to crypto performance.
- **Rate Cuts:** A reduction in interest rates by central banks to stimulate growth – often supportive for risk assets like crypto.
- **Regulatory Clarity:** Clear and consistent rules provided by governments and regulators, reducing uncertainty and encouraging institutional adoption.

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- **Risk Warnings:** Cryptocurrency investments carry significant risk, including possible total loss of capital. Key risks include market volatility, regulatory changes, technology and cybersecurity issues, and counterparty exposure. Derivative strategies add further risks: option writing may force trades at unfavorable prices, protective options can expire worthless, and liquidity can deteriorate in stressed markets. While our downside-protected approach limits losses under normal conditions, extreme dislocations—such as exchange defaults or price gaps—may lead to outcomes beyond expectations
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