



Crypto-Assets Monitor

THIS MONITOR WAS PREPARED BY AKI YOKOYAMA, GONZALO FERNANDEZ DIONIS, KLEOPATRA NIKOLAOU, MAHMOUD ABOUELMAKAREM, QIUYUN SHANG, AND YIRAN LI.

FRIDAY, MAY 23, 2025

CRYPTO-ASSETS MONITOR HIGHLIGHTS: Q2 2025

Crypto-assets have rallied over the second quarter of 2025, as total market capitalization (market cap) surpassed US\$ 3.5 trillion. Despite the rally, this market cap represented a 7 percent drop from December 2024 highs. Bitcoin remains the dominant crypto-asset, with about 60 percent of market share while its price reached all-time highs of US\$ 110,000 on May 22nd.

The market cap of stablecoins has surpassed US\$ 230 billion, reaching unprecedented levels. Market cap of Tether-issued USDT reached US\$ 150 billion, followed by Circle-issued USDC at US\$ 60 billion. Jointly they account for around 90 percent of the stablecoin market. Market contacts point to growing institutional interest on the back of optimism surrounding potential US legislation (GENIUS and STABLE Act) and the prospect of a clearer regulatory framework. Meanwhile, some firms have reportedly begun to position themselves accordingly, launching new stablecoins and expanding their uses.

The stablecoin growth has translated into increased demand for U.S. Treasury Bills, which back leading stablecoins. Although stablecoins' holdings currently represent just 1.6 percent of outstanding T-bills—compared to over 40 percent held by U.S. money market funds—analysts expect this share to grow as the stablecoin market continues to mature, embedding these instruments more deeply into the traditional financial system.

The trading volume of USDT and USDC reached \$23 trillion in 2024. This represents a 90 percent increase since 2023. USDC is reportedly fully backed by bank deposits, overnight repurchase agreements (treasury repo), and US Treasuries, whereas 81.5 percent of USDT's backing assets are reportedly repo and US treasuries while around 18.5 percent of USDT reserves seem allocated to other assets (which include assets such as Bitcoin and precious metals).

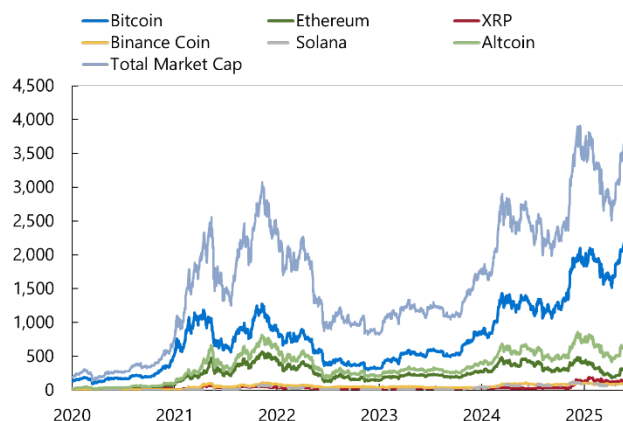
An upcoming IMF staff study maps \$2 trillion stablecoin gross flows in 2024, with most being cross-border. North America and Asia-Pacific have large gross flows in terms of the volume, while Africa & the Middle East and Latin America & the Caribbean topped in gross flows relative to GDP. Net flows mainly moved from North America to other regions, likely meeting dollar demand abroad.

Bitcoin funds saw inflows in April, partially reversing outflows in February and March 2025 while ownership distribution shows relative growth of investment advisors compared with other type of investors. From a risk-return perspective, gold and emerging market equities have outperformed Bitcoin in 2025. IMF's updated interconnectedness analysis (GFSR April 2025) shows spillovers from Bitcoin into the S&P 500 remain muted.

Market Update

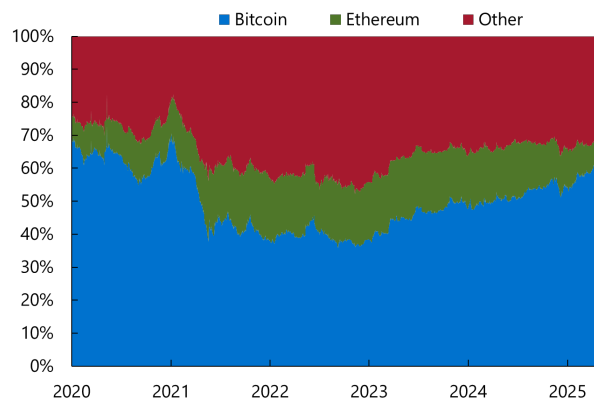
Total crypto-assets market cap surpassed US\$ 3.5 trillion

1. Selected Crypto-Assets Market Cap US\$ billions



Bitcoin share of total crypto-assets has recovered from 2021 lows

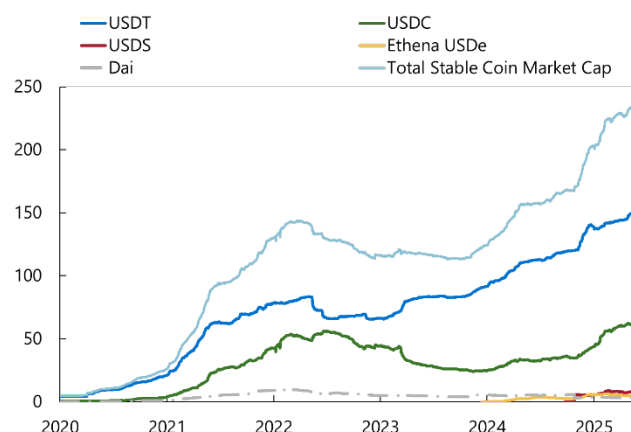
2. Selected Crypto-Assets Market Share Percent



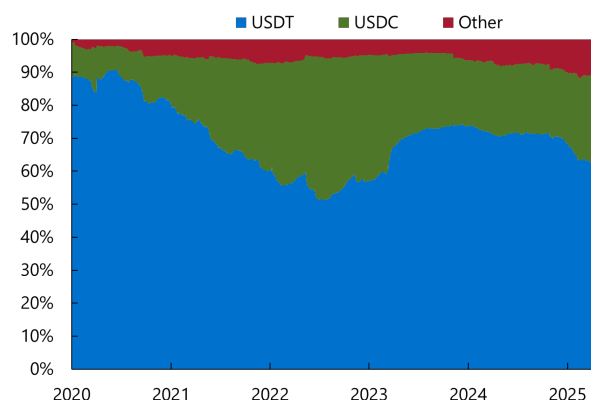
- Total crypto-assets market cap once again surpassed US\$ 3.5 trillion. However, this represented a 7 percent drop from the historical high of US\$ 3.9 trillion in December 2024.
- On the other hand, Bitcoin market cap has proved more resilient, with the crypto-asset reaching all-time highs on May 22nd.
- Bitcoin share in crypto-assets has recovered from 2021 lows and accounted for 60 percent in the second quarter of 2025.
- Ethereum represented close to 9 percent compared with the historical high of 20 percent.
- Other crypto-assets were 30 percent of the crypto market share, 15 percentage points below their historical highs.

*Total stablecoin market cap topped US\$ 230 billion***3. Selected Stablecoin Market Cap**

US\$ billions

*Tether remained the dominant stablecoin***4. Selected Stablecoin Market Share**

Percent

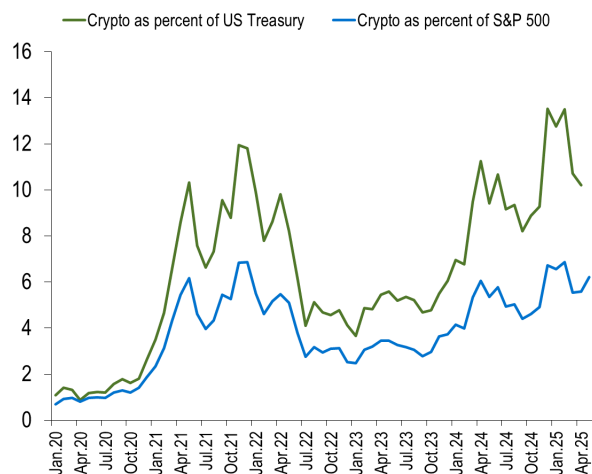


- Total stablecoin market cap topped US\$ 230 billion, reaching all-time highs.
- The market cap of USDT and USDC surpassed US\$ 150 billion and US\$ 60 billion, respectively.
- Firms have been positioning themselves in anticipation of a more defined regulatory landscape: New USD-backed stablecoins emerged (including Ripple, Paxos, and BitGo); Mastercard unveiled a strategy to enable payments in stablecoins; while Franklin Templeton continued to expand its tokenized U.S. government money fund, which uses stablecoins for settlement on public blockchains.
- USDT remained the dominant stablecoin with 65 percent market share
- USDC has recovered in market share over the previous months and now accounts for 26 percent.

The market cap of crypto-assets markets is equivalent to 6 and 10 percent of that of U.S. equity and debt markets, respectively.

5. Market Cap of Crypto-assets relative to that of S&P 500 and U.S. Treasury Debt Markets

Percent



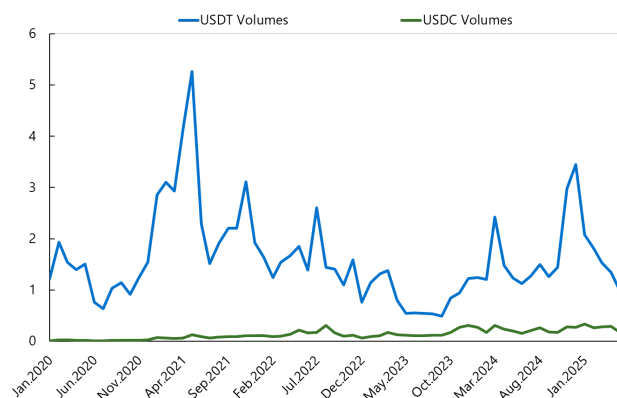
- By comparison, the market cap of crypto-assets was equivalent to 6 percent of that of the S&P 500 as of April 2025.
- Crypto-assets' market cap reached as high as 13 percent of that of the U.S. treasury debt market in Q1 2025, before their share's decline to 10 percent in April 2025.

Stablecoins

Total USDT and USDC trading volume reached \$23 trillion in 2024

6. Stablecoin Monthly Volume

US\$ trillions

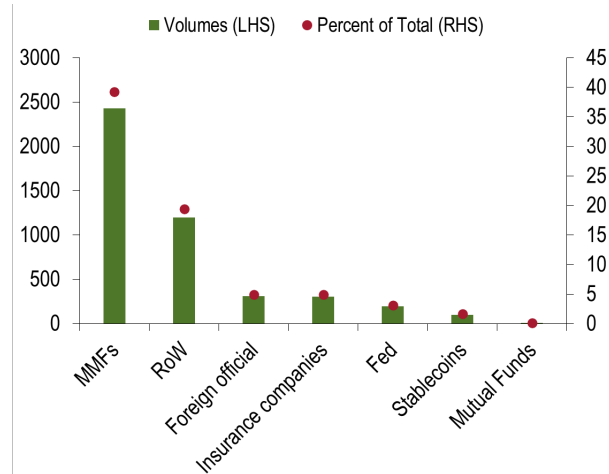


- The combined trading volume of USDT and USDC – two largest stablecoins by market cap – reached \$23 trillion in 2024, a 90 percent increase since 2023.
- The monthly trading volume, however, showed large volatility.
- Note: “trading volume” measures the sum of the volume of stablecoins involved in a trade across all the exchanges tracked.

Despite large growth, stablecoins’ holding represented only 1.6 percent of outstanding US Treasury Bills.

7. Ownership of US Treasury Bills

US\$ billions, Percent

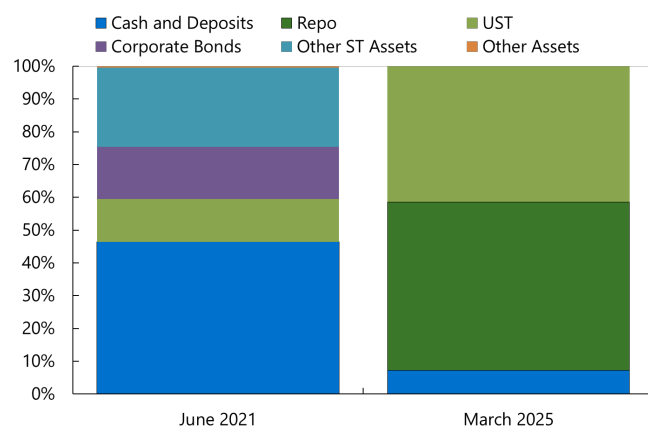


- Despite the increase, stablecoins currently represent a small fraction (1.6 percent) of total outstanding US Treasury Bills. Money market funds account for over 40 percent.
- Analysts expect this share to grow as the stablecoin market continues to mature, embedding these instruments more deeply into the traditional financial system.

USDC is fully backed by cash, Overnight Repo, and US Treasuries

8. USDC Asset Backing

Percent

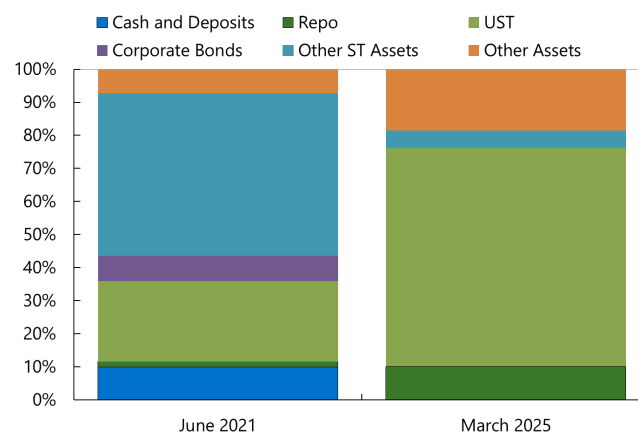


- Cash represents 7 percent of USDC assets, compared with 46 percent in June 2021.
- Overnight repo and US Treasuries, the latter made up almost entirely of Treasury-Bill holdings, represent 93 percent of USDC backing assets, a significant increase from 13 percent in 2021.

USDT is now 81.5 percent backed by US Treasuries, short-term assets, and overnight repo

9. USDT Asset Backing

Percent



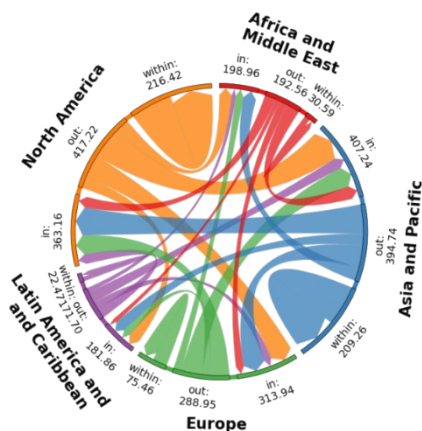
- USDT is now 66 percent backed by US Treasuries compared with only 24 percent in June 2021.
- Other short-term assets have fallen from almost half of USDT asset-backing to about 5 percent.
- Overnight repo accounts for 10 percent of USDT assets. In total, US Treasuries, repo, and short-term assets account for 81.5 percent.
- Other assets, such as crypto-assets and precious metals, accounted for 7 percent of USDT's assets in June 2021 and now represent 18.5 percent.

A forthcoming IMF staff study maps \$2 trillion international stablecoin gross flows in 2024.

Net flows mainly move from North America to other regions

10. 2024 Stablecoin Gross Flows

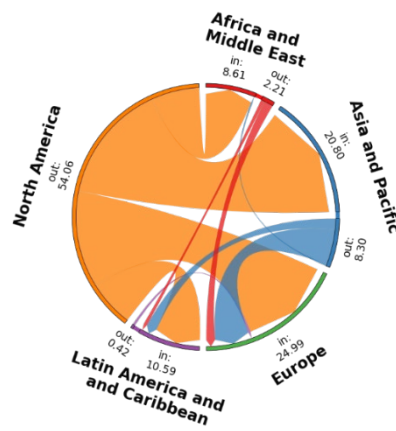
US\$ billions



- A new IMF staff study maps \$2 trillion in 2024 stablecoin flows (sum of all outflows and all within flows), capturing Circle's USDC and Tether's USDT.
- North America, and Asia and Pacific have the largest gross flows in absolute terms.
- Africa and the Middle East, and Latin America and Caribbean have the largest gross flows relative to GDP (6.7 percent and 7.7 percent respectively).
- Most gross flows are cross-region, therefore cross-border.

11. 2024 Stablecoin Net Flows

US\$ billions



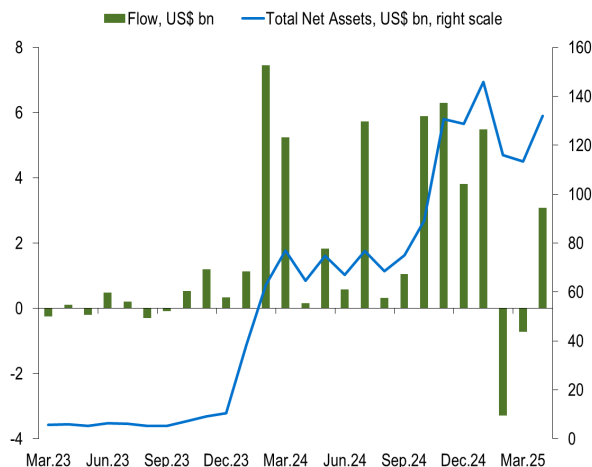
- Net flows are largely from North America to other regions, possibly satisfying some of the dollar demand in those regions.
- This novel method can be found in *Decrypting Crypto: How to Estimate International Stablecoin Flows*, Reuter 2025, IMF Working Paper (forthcoming).
- Note: "a stablecoin flow" is defined as the transfer of stablecoins from one wallet to another, excluding DeFi activities.

Crypto Interconnectedness

Bitcoin funds experienced inflows in April, partially reversing outflows in February and March 2025

12. Monthly Bitcoin Fund Flows

US\$ billions

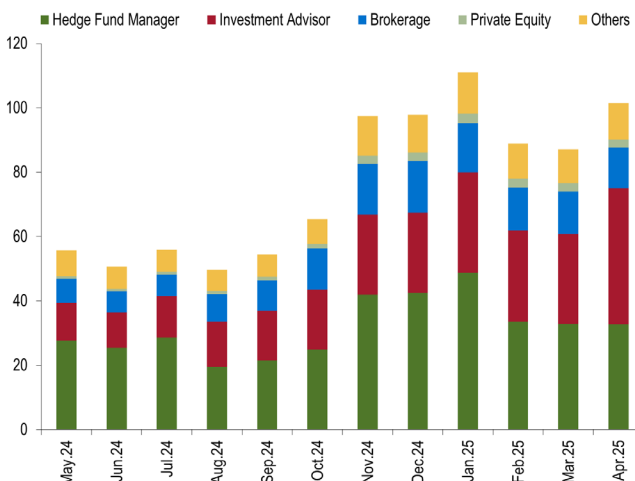


- EPFR data showed inflows in April, partially reversing outflows from Bitcoin funds in February and March 2025.
- Market contacts attributed the strong inflows in the second half of 2024 to optimism surrounding regulatory clarity.

Ownership distribution showed relative growth of investment advisors

13. Total Assets of Major Bitcoin Exchange-Traded Products by Investor Type

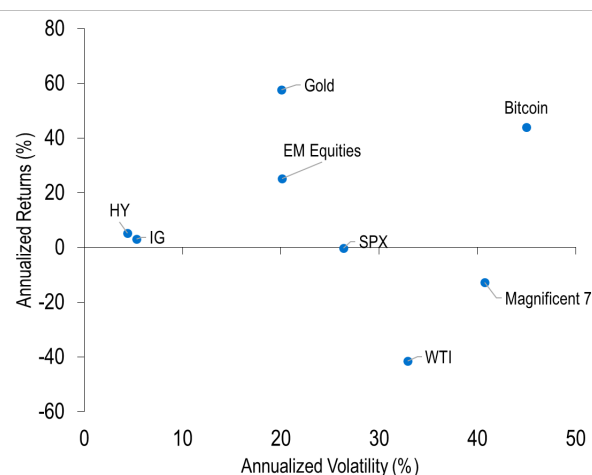
US\$ billions



- Investment Advisors have increased their relative positioning in Bitcoin ETPs compared with other investors.
- IMF analysis of the 5-main Bitcoin exchange traded products (ETPs) confirmed broad-based ownership (GFSR April 2025).

Gold and EM Equities have outperformed Bitcoin from a risk-return perspective since the start of 2025

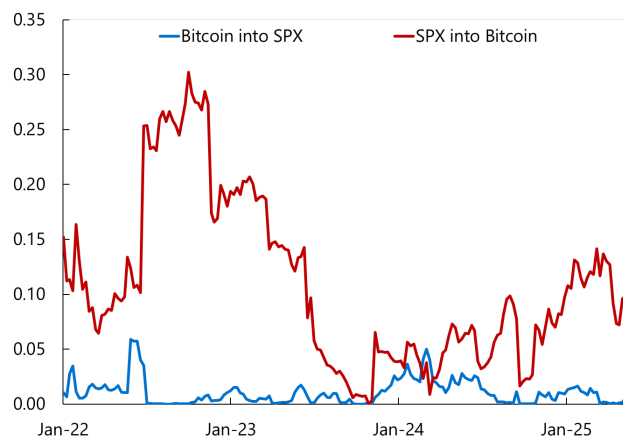
14. Returns vs. Risk Since January 1, 2025 Percent



- Since January 2025, Gold and Emerging Market equities have outperformed Bitcoin from a risk-return perspective.
- The Magnificent 7 and WTI oil have been the worst performers under the same metric.
- Note: Sharpe ratio is used to compare risk-return performance.

Bitcoin spillovers into S&P 500 remain muted

15. Spillover Analysis: Decomposition of Forecast Error Variance Percent



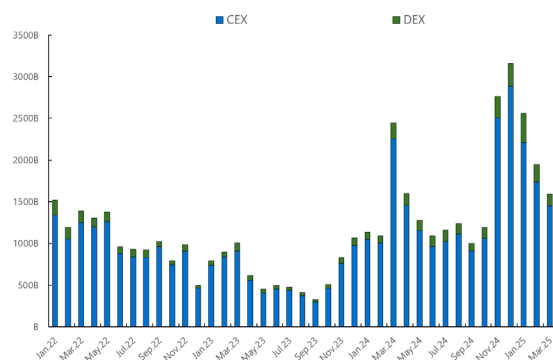
- Shocks originating in the S&P 500 appear to spillover to Bitcoin to a higher degree than the other way around.
- Spillovers from the S&P 500 into Bitcoin have fallen from the recent March peak.
- This analysis follows April 2025, Global Financial Stability Report.

Decentralized Finance (DeFi)

CEXs remained dominant in spot trading volume

16. Spot trading volume of CEXs vs decentralized exchanges (DEXs)

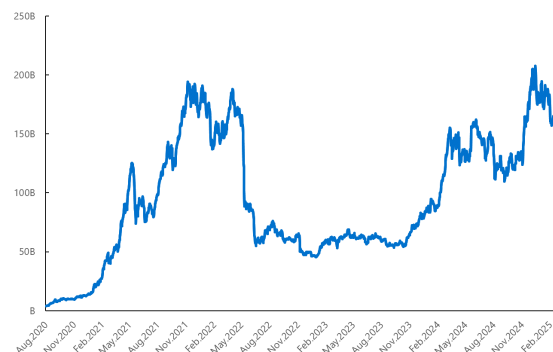
US\$ billions



\$50 billion was wiped off in DeFi markets in 2025 Q1

17. Total Value Locked in DeFi

US\$ billions



- In 2024, the top 10 CEXs recorded US\$17.4 trillion in spot trading volume, an increase of 140 percent since 2023
- Binance remained the dominant spot CEXs, with over 40 percent market share in March 2025.
- By comparison, the trading volume of DEXs has been around 10 percent of that of CEXs.
- Around \$50 billion total value locked (TVL) was erased from DeFi in 2025 Q1, marking a 27 percent decline since the end of 2024. This was likely contributed by the large depreciation of Altcoins.
- Ethereum's dominance in DeFi markets declined, as its TVL market share dropped from 63 percent to 56 percent since the beginning of 2025.

Crypto Adoption

India, Nigeria, and Indonesia led global crypto adoption.

18. Chainalysis Crypto Adoption Index (top 10 countries)

Overall ranking

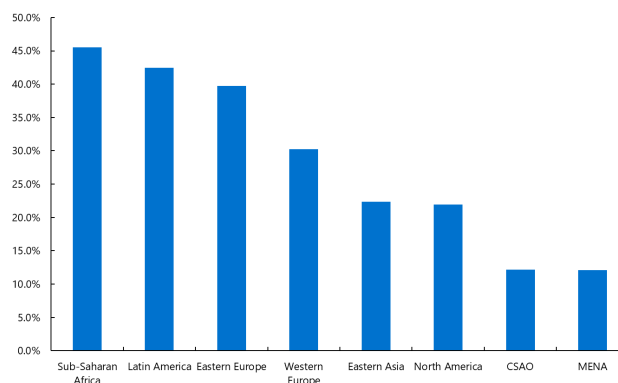
Country	2024 Ranking	2023 Ranking
India	1	1
Nigeria	2	2
Indonesia	3	7
United States	4	4
Vietnam	5	3
Ukraine	6	5
Russia	7	13
Philippines	8	6
Pakistan	9	8
Brazil	10	9

- India, Nigeria, and Indonesia led the adoption of crypto assets among 151 countries in 2024.
- Crypto adoption increased across countries of all income groups, led by central and southern Asia and Oceania region.

Crypto markets continued to grow, led by the Sub-Saharan African region

19. Growth in crypto markets by region

(Percent change in total value received, year ended June 2024 vs year ended June 2023)



- The total value of crypto-assets received by Sub-Saharan Africa, Latin America, and Eastern Europe increased by around 40 percent from 2023 to 2024.
- The fast growth was likely associated with crypto assets' expanding use cases such as stablecoin-based remittances and growing institutional interests in these regions, according to Chainalysis.

Sources: Bloomberg L.P., CoinGecko, Chainalysis, DefiLlama, Federal Reserve Bank of Dallas, IMF, April 2025, Global Financial Stability Report, BDO Independent Auditors' Report on the Financials Figures and Reserves Report (Tether), Deloitte's Independent Accountants' Report (USDC).
 Reuter. *Decrypting Crypto: How to Estimate International Stablecoin Flows*. IMF Working Paper (forthcoming)