

Market Pulse: November 2025

Digital Assets, Traditional Finance & Macro Outlook

Terorxx | Digital Assets Research

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Executive Summary

October 2025 delivered crypto's largest liquidation event (\$19B) followed by recovery following the trade deal resolution.

The cascade was exacerbated by illiquid collateral: wrapped assets like USDe, BNSOL, and WBETH—used widely as collateral for leveraged positions—depegged dramatically as forced liquidations hit thin order books, creating a self-reinforcing doom loop.

Markets repeated the April playbook: tariff shocks trigger 'emotional' overreactions creating buying opportunities. With Fed accommodation, ETF approvals ahead, and deleveraged market structure, BTC is likely to continue appreciating, provided institutional inflows continue.

Key Takeaways:

- October 10 liquidation (\$19B) was 30x larger than April, exposing structural fragility in the digital assets markets
- Kuala Lumpur Trade Agreement (Oct 27) triggered V-shaped recovery: BTC was initially +10% to \$112K
- Fed delivered 25bps cut on October 29th; December cut 70% probable, supporting risk assets
- USDe "depeg" was Binance infrastructure failure, not stablecoin mechanism failure—remained pegged on primary venue (Curve)
- For the full month of October, BTC outperformed Altcoins (-3.99% BTC vs -7.08% Altcoins) signaling falling risk appetite
- XRP ETF approval (99%+ odds) represent potential \$5-10B institutional catalyst

Chart of the Month: Tariff Shocks Follow Predictable Patterns



April vs October 2025 Comparison

Metric	April 2025	October 2025
BTC Drawdown	- 18%	- 18% (\$126K → \$102K)
S&P 500 Drawdown	- 7%	- 4.9%
Crypto Liquidations	\$600M	\$19-20B (largest in history)
Traders Liquidated	~ 200K	1.6 million
Recovery Timeline	12-14 daiys	17 days
Post-Rally BTC (30d)	+ 25%	+ 2% (ongoing)

Sources: Coinglass, Terorxx

Market Concentration: The "Magnificent Few" Phenomenon

Just as the Magnificent 7 stocks represent 30% of S&P 500 market cap, crypto returns in 2025 have concentrated in Bitcoin, Ethereum, and select altcoins like HYPE. BTC and ETH comprise 60-80% of total crypto market capitalization, while HYPE emerged as 2025's breakout performer with 70-75% YTD returns¹ as Hyperliquid became the top revenue-generating blockchain at \$3.7 million daily².

This mirrors equity markets where Nvidia (+50% YTD) and Microsoft (+30% YTD) captured most tech gains. The pattern reflects "flight to quality" during macro uncertainty, where capital gravitates toward assets with strongest fundamentals and liquidity. For portfolios, this suggests concentrated exposure to BTC/ETH and select high-conviction altcoins may outperform broad crypto diversification—just as market-cap weighted indices beat equal-weight strategies in equity markets in 2025.

Portfolio Implication

Tariff-related dips have created accumulation opportunities, but October 2025 marked a critical divergence between equities and digital assets.

April playbook: Both equities and crypto recovered with 15-25% rallies within 30 days following tariff shocks.

October divergence: Following the October 10th liquidation event and through November 1st, equities staged V-shaped recoveries (Nasdaq +5.0%, S&P 500 +2.65%, Dow Jones +2.67%), validating the "buy the dip" strategy. Digital assets failed to follow—despite the Kuala Lumpur trade deal resolution on October 27th, crypto closed the month of October deeply negative (BTC -3.99%, ETH -7.12%, SOL -9.13%).

October's pattern break suggests crypto's correlation with macro risk has intensified, and the traditional tariff-dip playbook may require sustained institutional inflows—not just diplomatic resolutions—to drive meaningful recoveries.

¹ Source: Coinmarketcap (as of 3rd of November), Terorxx

² Source: Artemis Terminal, Terorxx

Market Performance – October Review

Equities - V-Shaped Recovery (Largely Intact)

October demonstrated resilience across risk assets despite mid-month volatility. The October 10th tariff-induced selloff reversed following the diplomatic resolution.

Equities October 2025 Performance³:

- Nasdaq: +5.29%
- Dow Jones: +2.74%
- S&P 500: +2.67%

Key Insight

Equity markets generally absorbed -5-6% drawdowns within 21 days (10th - 31st Oct), validating "buy the dip" during policy-driven selloffs.



Asset Performance by Key Asset Classes

Digital Asset Majors	Market Cap	Current Price	7D Change	30D Change
BTC	\$2.1 tn	\$103,869	-8.0%	-8.0%
ETH	\$ 419.9 bn	\$3,465	-13.0%	-23.3%
SOL	\$ 86.8 bn	\$157	-19.3%	-31.3%

Equities	Market Cap	Current Price	7D Change	30D Change
S&P 500 (\$)	~58.0 tn	6,852	-0.56%	1.7%
NASDAQ (\$)	~49.0 tn	23,835	0.03%	3.9%
DAX40 (€)	~2.4 tn	23,744	-2.20%	-2.6%

Rates	Yield	7D Change	30D Change
U.S 10-Year Treasury	4.11	2.77%	-1.2%
10-Year Bund	2.65	1.13%	-1.8%

Currencies	Current Price	7D Change	30D Change
Euro (€/€)	\$1.15	1.24%	1.7%
Pound (£/\$)	\$1.31	-1.54%	-3.0%
Yen (\$/¥)	¥154	1.09%	4.1%

Sources: Artemis Terminal, Google Finance, Investing.com, TradingView, Teroxx

Commodities - Flight-to-Safety Reversal

Precious metals captured so-called “defensive flows” during peak uncertainty before unwinding, and declining in price, on trade resolution.

Commodities October 2025 Performance⁴:

- Gold: +3.33%
- Silver: +2.07%
- WTI Crude: -1.21%

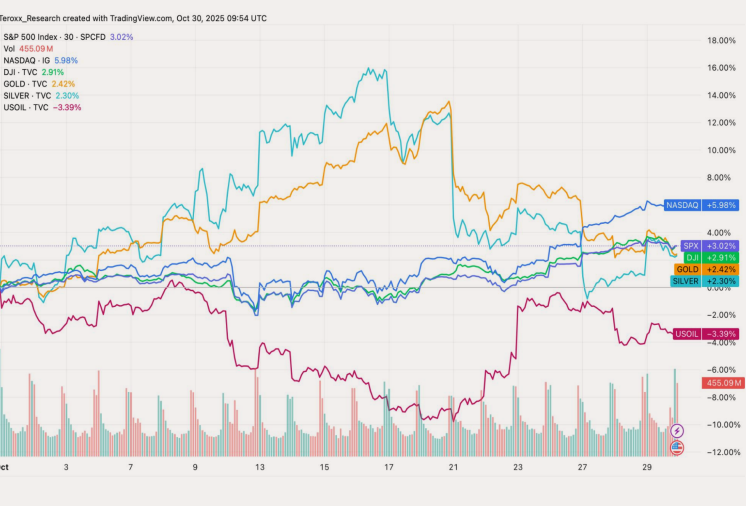
Gold's +6-7% surge into Oct 14, followed by a sharp reversal post trade-deal, provided real-time risk sentiment gauge. Silver underperformed gold, reflecting concerns about China's manufacturing outlook despite trade optimism.

³ Source: TradingView, Teroxx

⁴ Source: TradingView, Teroxx



Asset Performance by Key Asset Classes



Source: TradingView, Teroxx

Story of the Month – Digital Asset Markets

Why October Was Different Than April

Structural Vulnerabilities Amplified by 30x

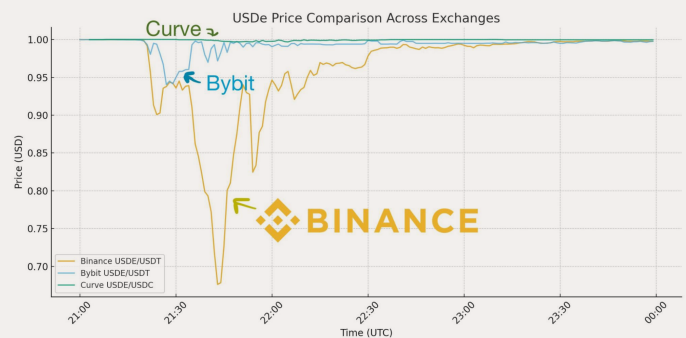
In the digital assets markets, October's liquidation event dwarfed April's shock due to accumulated structural weaknesses. Bitcoin open interest surging 374% year-to-date while Solana climbed 205%, and the Trump administration's expanding of retail leverage limits to 10x created a "powder keg" that exploded into the \$19-20 billion liquidation (of perpetual futures positions)—the largest in cryptocurrency history.

The crisis unfolded through a self-reinforcing "doom loop" where initial liquidations hit thin orderbooks, triggering price collapses that forced additional liquidations in an exponential cascade. Major exchanges including Binance, Bybit, and OKX experienced critical outages at precisely the wrong moment. On Hyperliquid, 205 traders each lost over \$1 million, with one suffering a \$19 million loss. Price oracle manipulation during volatility spikes further destabilized the system.

Exchange Plumbing Failure, Not Stablecoin Mechanism

The USDe "depeg" was actually an exchange infrastructure failure rather than a stablecoin problem. On Curve, the primary DeFi venue, USDe maintained its peg with only a -0.3% dip. Bybit saw brief stress to \$0.95 before rapid recovery. On Binance, however, USDe crashed to \$0.68—a 32% deviation.

 USDe Price Comparison Across Exchanges



Sources: Curve, Bybit, Binance, Teroxx

Macro Outlook & Fed Policy

October Recap: Fed Delivers 25bps Cut

On October 29th - the Fed cut 25bps to 3.75-4.00% as expected, whereas the FOMC minutes reflected more caution and reservation about further interest cuts.

The “Summary of Economic Projections” last published in September then revealed a more optimistic outlook, with officials upgrading growth forecasts, lowering unemployment projections, and revising inflation slightly higher —a “no landing” scenario that supports continued accommodation.

The latest September 2025 projections told a clear story: officials expect stronger economic momentum (GDP upgraded to 1.6% in 2025), a more resilient labor market (unemployment peaking at 4.5% vs 4.5% June forecast), and moderately higher inflation (Core PCE 3.1% in 2025). Critically, the rate path shifted lower across all years, with the terminal rate confirmed at 3.0%—consistent with continued “risk management” cuts despite firmer growth.

The Fed projects stronger growth, lower unemployment, and higher inflation

 FOMC Median Projection, September vs. June SEP, %

Variable	2025	2026	2027	2028	Longer-run
Change in real GDP	1.6 ↑	1.8 ↑	1.9 ↑	1.8	1.8
June	1.4	1.6	1.8		1.8
Unemployment Rate	4.5	4.4 ↓	4.3 ↓	4.2	4.2
June	4.5	4.5	4.4		4.2
PCE Inflation	3.0	2.6	2.1	2.0	2.0
June	3.0	2.4	2.1		2.0
Core PCE Inflation	3.1	2.6 ↑	2.1	2.0	
June	3.1	2.4 ↑	2.1		
Federal Funds Rate	3.6 ↓	3.4 ↓	3.1 ↓	3.1	3.0
June	3.9	3.6	3.4		3.0

Source: Federal Reserve, Data as of September 17, 2025

The Easing Path

Powell's messaging from October 29th meeting confirmed data-dependent easing with accommodation bias. The market still expects December cuts to 3.50-3.75% (70% probability)⁵, followed by quarterly 25bps cuts reaching a terminal rate of 3.0-3.25% by mid-2026. The combination of resilient growth and continued easing creates the ideal backdrop for risk assets, yet there is a growing sense of caution and a little uncertainty in the market - largely owing to the inflation picking up.

⁵ Source: Kalshi (<https://kalshi.com/?category=economics&tag=fed>), Terorxx

Digital Asset Market Performance – Intersection with TradFi

While Bitcoin crashed alongside broader markets, the companies building crypto infrastructure were also affected. When correlation spiked to 0.85 during the Oct 10th liquidation, Bitcoin acted more like a leveraged Nasdaq proxy than "digital gold". As a result, crypto-exposed equities were flat - to down on the month of October, significantly impacted by the broader market volatility.

Performance of "Crypto" Equities (October 2025)

Ticker	October Return	Commentary
HOOD	+4.3%	Trading platform benefited from record volatility and \$19B liquidation event
GLXY	+0.7%	Mining/infrastructure exposure remained resilient despite energy costs and hashrate competition exceeding 1,100 EH/
COIN	0.0%	Flat performance despite record volatility; stock tracked broader market conditions
Circle	-4.9%	Stablecoin issuer faced modest pressure; regulatory uncertainty weighing on valuation

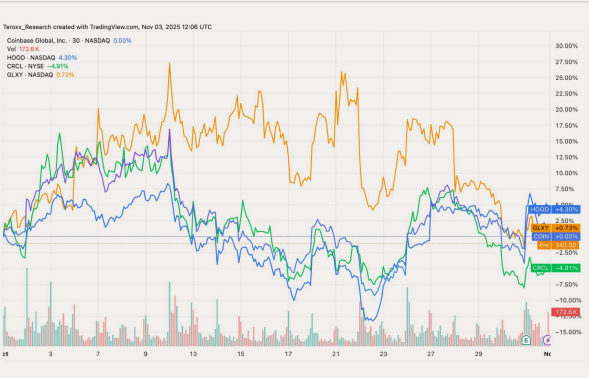
Sources: TradingView, Teroxx

The key insight: Even trading venues that profit from volatility couldn't escape October's macro correlation. When BTC moves at 0.85 correlation with S&P 500, crypto equity investors can't hide from risk-off sentiment regardless of underlying business performance.

This marks a shift from earlier 2025 periods when crypto stocks occasionally decoupled during volatility. October's synchronized selloff across BTC (-3.99%), altcoins (-7.08% TOTAL3, with many seeing 40-70% intra-month crashes), and crypto equities suggests **crypto has fully integrated into macro risk frameworks**—both the asset class and the companies servicing it now trade as high-beta tech plays, not defensive alternatives.

What this means for positioning: Crypto investors can no longer rely on "crypto-specific" analysis. Fed policy, equity market direction, and USD strength now dominate crypto performance more than blockchain fundamentals, adoption metrics, or technological developments. October confirmed crypto's transformation from alternative asset to leveraged tech proxy is complete.

Performance of "Crypto" Equities (October 2025)



Source: TradingView, Teroxx

Performance of Digital Asset Majors and Altcoins (October 2025)



Source: TradingView, Teroxx

Q4 Outlook & Portfolio Strategy

An Uncertain Path Forward

October marked a historical anomaly: BTC closed in the red for the first time in seven years during what's typically crypto's strongest seasonal period. The -3.69% decline, while modest compared to the intra-month -18% crash, breaks a pattern that had held since 2018.

The data tells a striking story:

- **October Average (2013-2024):** +19.94% | **Median:** +14.71%
- **Recent October streak:** Six consecutive green Octobers (2019-2024) averaging +21%
- **2025 October:** -3.69% ← **First negative since 2018's -3.83%**
- **November Historical Strength:** +46.02% average, +10.82% median (typically strongest month)



Bitcoin Monthly Returns - October's Historical Strength

Time	January	February	March	April	May	June	July	August	September	October	November	December
2025	+9.29%	-17.39%	-2.3%	+14.08%	+10.99%	+2.49%	+8.13%	-6.49%	+5.16%	-3.69%	-2.05%	
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%	-7.44%	+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%	-18.47%	+2.35%	+33.49%	+19.27%	+13.83%
2014	+10.03%	-31.03%	-17.25%	-1.6%	+39.46%	+2.2%	-9.69%	-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%	+42.32%	+4.75%
Median	+0.62%	+12.21%	-2.30%	+7.27%	+9.51%	+2.20%	+8.20%	-7.49%	-3.12%	+14.71%	+8.81%	-3.22%

Source: Coinglass, Teroxx

This creates genuine uncertainty heading into Q4. The deleveraged market structure post-October provides a cleaner foundation—funding rates have reset to healthy 20-30% levels from dangerous 50-80% pre-crash. November's historical +46% average suggests powerful seasonal tailwinds ahead, supported by recent Solana ETF approvals in late October and potential XRP ETF launches.

However, pattern breaks matter. October's seasonal failure raises questions about whether traditional patterns still hold in a macro-dominated market where BTC's recent correlation with S&P 500 has ranged from 0.5-0.7 (spiking higher during stress). The bullish catalysts are clear (ETF approvals, Fed easing bias, trade stability), but so are the risks (tariff deal fragility, exchange infrastructure inadequacy, Fed's uncertain December path).

Rather than forecast specific levels, we acknowledge the range of outcomes is wider than usual. The market is telling two stories simultaneously: infrastructure maturation (ETFs arriving, institutional adoption) versus speculation fragility (\$19B liquidations, seasonal patterns breaking). October taught us that leverage kills, but BTC's first red October in seven years signals something has changed in crypto's relationship with markets and seasons.

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