

# Market Pulse: December 2025

## Digital Assets, Traditional Finance & Macro Outlook

Teroux | Digital Assets Research  
Publication Date: December 4th, 2025

### Executive Summary

November 2025 marked a period of cautious consolidation, defined by the resolution of the longest U.S. government shutdown in history (43 days) and the market still navigating the aftermath.

Institutional flows into ETFs remained timid throughout the month, a direct hangover from October's liquidation cascade. Major players operated with heightened risk management, fearing residual contagion in markets, which kept order book depth suppressed and volatility elevated despite the lack of new structural breakdowns.

However, the macro tide began to turn late in the month. The end of the fiscal standoff in Washington, combined with softening labor data, has strengthened expectations for a Federal Reserve rate cut in December. This anticipated policy shift is rapidly emerging as the primary catalyst for risk assets. With the 'shutdown discount' now priced out and liquidity conditions easing, the stage is set for a year-end rally, assuming the Fed follows through with the expected pivot.

### Key Takeaways:

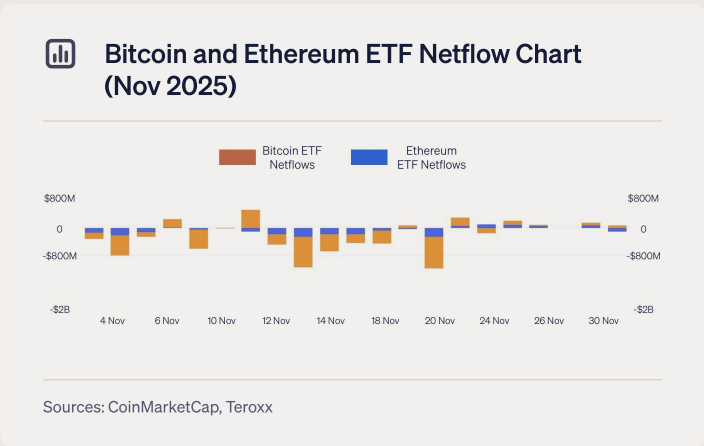
- The resolution of the historic 43-day U.S. shutdown removed the primary political overhang, stabilizing risk assets.
- Markets are now pricing in an 87% probability of a December 9th-10th Fed rate cut, setting the stage for a year-end rally.
- NVIDIA's record \$57B revenue (+22% from last quarter) fueled a rising tide for risk assets, supporting bullish momentum across the AI and digital asset sectors.
- For the full month of November, BTC underperformed Altcoins (-17.6% BTC vs -13.26% Altcoins), signaling that while the broader market corrected, alternative sectors showed relative resilience compared to the market leader.
- New Bitwise's Solana ETF saw stagnant capital movement, signaling challenges for altcoin investment products.

### The Institutional Retreat

Institutional confidence remains fragile following October's 10th flash crash, with investors adopting a defensive stance that has curbed aggressive capital deployment. This hesitation is clearly reflected in the consistent downtrend observed in both Bitcoin and Ethereum ETF flows throughout the month, signaling that traditional finance is waiting for confirmation of market stability before re-entering the ecosystem.

This contraction is quantified by the activity in the 12 US-listed spot Bitcoin funds, which faced four weeks of relentless selling pressure totaling more than \$4.3 billion in net outflows. These figures underscore the lingering caution in the market, highlighting a sustained period of risk aversion as major players reassess their positions rather than seeking immediate exposure.

### Chart of the Month: ETF Flows in a Momentum Shift



# Market Performance – November Review

## Equities - Volatility Outlook

November saw equities retreat as uncertainty mounted over the U.S. shutdown. The looming fiscal deadline fueled volatility, weighing heavily on stock performance.

### Equities Novembers 2025 Performance<sup>1</sup>:

- Nasdaq: -2.34%
- S&P 500: -0.57%
- Dax40: -2.25%

## Key Insight

Despite Bitcoin's drop of roughly 17.6% this month, this downward movement also rippled through traditional finance (TradFi) stock market assets. Aggravated by volatility stemming from the Fed's policy indecision and the prolonged U.S. government shutdown, major names like Nvidia (-14.5%) and Microsoft (-4.4%) also posted losses, demonstrating that this downturn was not an isolated effect limited to digital assets

<sup>1</sup> Source: TradingView, Teroxx



### Asset Performance by Key Asset Classes

| Digital Asset Majors | Market Cap  | Current Price | 7D Change | 30D Change | YTD Change |
|----------------------|-------------|---------------|-----------|------------|------------|
| BTC                  | \$1.7 tn    | \$86,945      | -0.4%     | -17.67%    | -4.4%      |
| ETH                  | \$ 339.2 bn | \$2,808       | -5.0%     | -22.73%    | -15.8%     |
| SOL                  | \$ 71.4 bn  | \$128         | -8.3%     | -31.89%    | -32.7%     |

| Equities     | Market Cap | Current Price | 7D Change | 30D Change | YTD Change |
|--------------|------------|---------------|-----------|------------|------------|
| S&P 500 (\$) | ~58.0 tn   | 6,813         | 0.69%     | -0.57%     | 16.1%      |
| NASDAQ (\$)  | ~49.0 tn   | 23,276        | 1.09%     | -2.34%     | 20.7%      |
| DAX40 (€)    | ~2.4 tn    | 23,589        | 0.53%     | -2.25%     | -17.8%     |

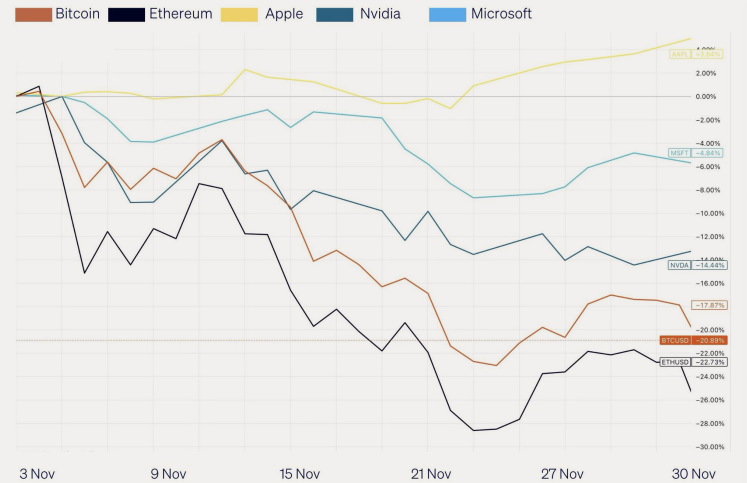
| Rates               | Yield | 7D Change | 30D Change | YTD Change |
|---------------------|-------|-----------|------------|------------|
| US 10-Year Treasury | 4.10  | 2.77%     | -1.2%      | -11.1%     |
| 10-Year Bund        | 2.75  | 1.13%     | -1.8%      | -1.5%      |

| Currencies   | Current Price | 7D Change | 30D Change | YTD Change |
|--------------|---------------|-----------|------------|------------|
| Euro (€/€)   | \$1.16        | 0.42%     | -0.75%     | -10.9%     |
| Pound (£/\$) | \$1.32        | 0.39%     | 0.41%      | 5.5%       |
| Yen (\$/¥)   | ¥156          | -0.27%    | 1.19%      | -1.2%      |

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



### Asset Performance by Key Asset Classes



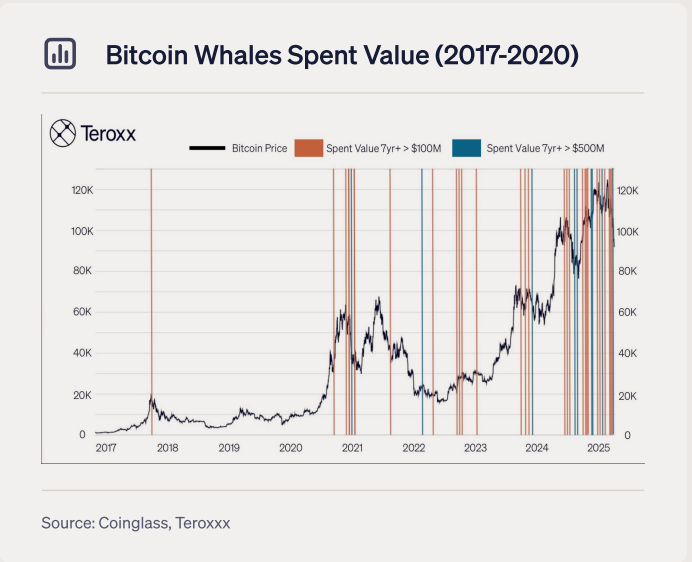
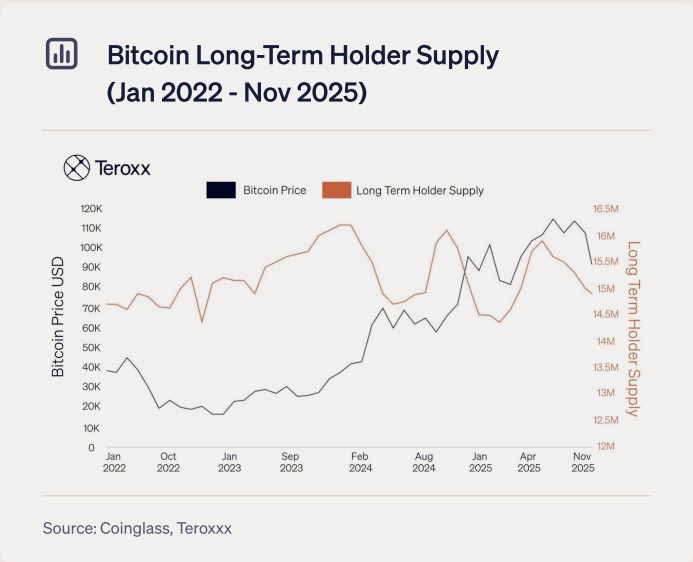
Source: TradingView, Teroxx

# Story of the Month – Sell pressure and DATs deterioration

## Bitcoin Whales Showing Movement

The month of November was defined by significant sell pressure, driven largely by Bitcoin whales seizing the opportunity to take profits amidst the market environment. Aggravated by broader economic uncertainty, large-scale investors chose to reduce exposure rather than hold through the stagnation, effectively weighing down price action and adding to the bearish sentiment.

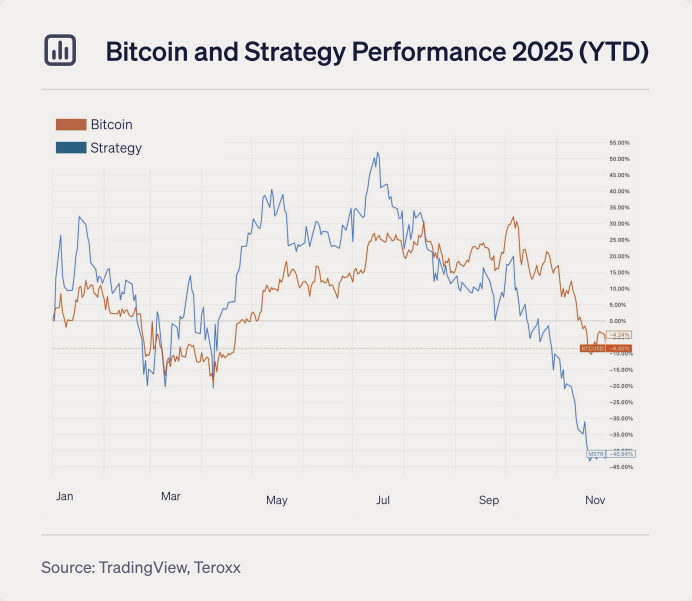
This strategic exit is reinforced by the on-chain data, where the **Long-Term Holder Supply** chart shows a sharp decline correlating directly with the recent price correction. Simultaneously, the **Spent Value** metrics reveal a dense cluster of activity from vintage coins (7yr+), indicating that dormant whales moved huge volumes—exceeding \$100M and even \$500M—to lock in realized gains, confirming a decisive distribution phase.



## The DAT Model: Sustainability Under Scrutiny

Another growing narrative questions the sustainability of Digital Asset Treasury companies continuing their relentless Bitcoin accumulation. Recent volatility has exposed a sharp divergence in performance: while Bitcoin is down approximately 4% year-to-date, "Strategy" has suffered a much deeper decline, underperforming the very asset it holds.

This disconnect has pushed the company's valuation into discount territory, with its diluted mNAV currently sitting at roughly 0.975—below the 1.0 parity mark. This suggests that simply holding Bitcoin is no longer a guarantee of a premium. While the elite top 5% of DATs are still projected to generate massive returns over the next decade, the current discount signals that investors now demand operational discipline and a credible plan to weather macro stress.



# Macro Outlook & Fed Policy

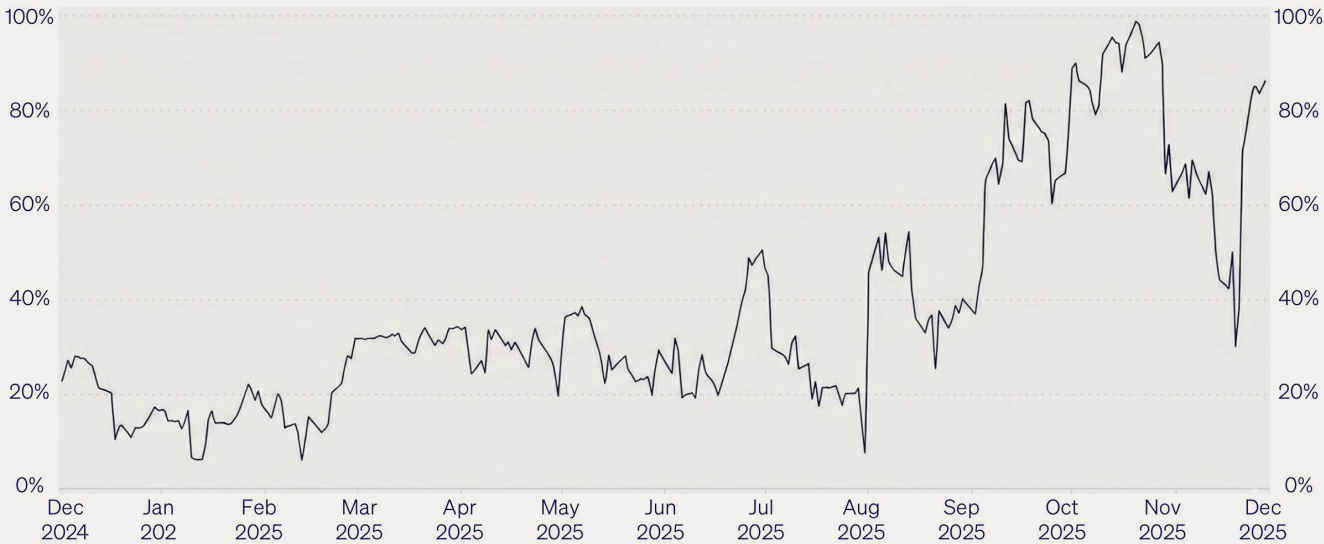
## December Outlook

Taking a broader perspective on the trajectory leading up to the Federal Reserve's December 9-10 meeting, market consensus has definitively shifted, now pricing in an 87.2% a probability of a 25bps rate cut to the 3.50%-3.75% range.

This high conviction is particularly notable given the 43-day government shutdown, during which the Fed and other agencies were forced to navigate a significant 'data blackout,' lacking precise economic metrics to guide policy. With the resolution of the shutdown on November 12, that critical visibility was restored. As the chart illustrates, the return of reliable data—bolstered by subsequent job reports—has allowed the market to move past the uncertainty that once pinned expectations near 40%, providing the clarity needed to solidify the case for a cut.



Federal Reserve Rate Cut Odds: 350-375 bps (Dec 2024 - Dec 2025)



Source: CME Group, Teroxx



# Digital Asset Market Performance – Intersection with TradFi

As Bitcoin adjusted alongside broader markets, companies building crypto infrastructure saw similar downward pressure. Crypto-exposed equities finished **November** lower, reflecting the broader market trend rather than trading on their own specific fundamentals.

## Performance of "Crypto" Equities (November 2025)

| Ticker | November Return | Commentary                                                               |
|--------|-----------------|--------------------------------------------------------------------------|
| HOOD   | -12.6%          | Pulled back as part of a broader correction in global financial markets. |
| COIN   | -17.4%          | Followed the general downward trend seen across risk assets this month.  |
| GLXY   | -23.7%          | Declined sharply amidst a period of widespread market instability.       |
| Circle | -32.1%          | Significant repricing driven by a challenging macro-economic backdrop.   |

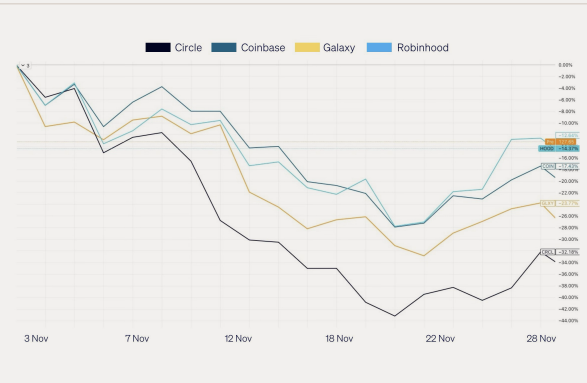
Sources: TradingView, Teroxx

**The key insight:** Even trading venues, which often see increased activity during volatility, showed high correlation with the macro environment. With Bitcoin moving down by over **-17.6%**, crypto equities followed suit: Robinhood (**-12.6%**) and Coinbase (**-17.4%**) tracked closely with the digital asset market. This indicates that broader sentiment influenced price action regardless of specific business metrics.

This represents a change from earlier in 2025, when crypto stocks occasionally moved independently. November’s performance was synchronized: BTC (**-17.6%**), Ethereum (**-22.73%**), and crypto equities (such as Galaxy Digital at **-23.7%** and CRCL at **-32.1%**) all adjusted lower. This suggests the sector is currently trading in line with broader risk assets rather than as a defensive alternative.

**What this means for positioning:** Investors may need to broaden their scope beyond crypto-specific fundamentals. With Total 3 (**-13.2%**) and Coinbase (**-17.43%**) showing comparable performance, macro factors and equity market direction appear to be the primary drivers. The November data highlights the strong link between crypto assets and the wider technology sector.

## Performance of "Crypto" Equities (November 2025)



Source: TradingView, Teroxx

## Performance of Digital Asset Majors and Altcoins (November 2025)



Source: TradingView, Teroxx

# December Outlook & Portfolio Strategy

## An Uncertain Path Forward

November presented a notable deviation from historical expectations. Despite the month historically boasting the highest average return of +41.12%, BTC recorded a decline of -17.67% in 2025. This correction contrasts with the typical seasonal strength seen in the fourth quarter, marking a shift in the market's recent pattern.



Bitcoin Monthly Returns - December Outlook

| 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%  | -17.67%  | +2.8%    |
| 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%   | -18.67% | +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% | +41.12%  | +4.60%   |
| Median  | +0.62%  | +12.21%  | -2.30%   | +7.27%  | +9.51%  | +2.20%  | +8.20%  | -7.49%  | -3.12%    | +14.71% | +8.81%   | -2.85%   |

Source: Coinglass, Teroux

Navigating through November’s volatility, the market has effectively engaged in a period of healthy consolidation. Rather than a structural breakdown, recent price action suggests a natural digestion of gains, creating a more sustainable foundation for future growth. The pullback has served to "reset" market sentiment, removing speculative excess and leaving a leaner, more resilient market structure in its wake.

**From Uncertainty to Clarity** The resolution of the U.S. government shutdown does more than just reopen agencies; it restores the visibility that institutional investors crave. With the "data blackout" over and the fiscal outlook clarifying, the hesitation that characterized November is likely to dissipate. Stability invites capital, and as the noise fades, the focus returns to the underlying strength of the digital asset ecosystem and its increasing integration with global finance.

**The Setup for December** Looking forward, the environment appears increasingly favorable. The convergence of a potential Federal Reserve policy shift and the traditional year-end rebalancing creates a constructive backdrop for risk assets. Furthermore, the robust performance in the broader tech sector (driven by AI demand) historically sets a precedent for capital rotation, where profits from traditional tech often find their way into digital markets.

**Conclusion** We are transitioning from a phase of cautious defense to one of opportunistic potential. The market has weathered the stress test of November, and with key macro risks now in the rearview mirror, the stage is set for a recovery driven not by hype, but by improved liquidity conditions and renewed clarity.

Date of First Use: December 4th, 2025