

Inflection Points

Macro Pressures, Regulatory Clarity,
and Mass Adoption

Market Outlook 2025

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Executive Summary

Digital assets are positioned for steady growth in 2025, supported by macroeconomic trends, technological advancements, and evolving regulatory frameworks. Bitcoin and Ether ETFs continue to gain traction, marking a significant step toward broader institutional adoption. Meanwhile, Federal Reserve rate cuts and moderating inflation provide a constructive environment for risk assets, with Ethereum's Layer 2 solutions reinforcing its role in decentralized finance and stablecoins. Asset tokenization, expected to surpass \$30 billion, and AI-driven blockchain utilities highlight ongoing innovation. As regulatory clarity improves post-election, digital assets are gradually becoming more integrated into mainstream financial markets, signaling a measured shift forward.



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1. Market Recap

Market Recap

Fed Easing, Political Shifts, and Digital Asset Momentum

The most recent quarter saw digital assets reach record highs, driven by shifting monetary policy and evolving political dynamics. September, typically a weak month for the market, began with caution as signs of a softening labor market and slowing economic growth weighed on sentiment. Optimism surged mid-month when the Federal Reserve cut its benchmark rate by 50 basis points, signaling a focus on its “maximum employment” mandate and growing confidence in inflation returning to the 2% target. The Fed’s median projections following the meeting suggested that policy rates could eventually fall below 3%, bolstering risk assets. Large-cap tokens like Bitcoin and Ether outperformed expectations, closing significantly higher than their early September lows, marking a surprising rebound during a seasonally challenging period.

In November, political developments added further momentum to digital assets. Following Trump’s election victory, expectations of pro-cryptocurrency regulatory changes bolstered market sentiment. These political tailwinds, combined with increased government spending expectations, led to the highest fund inflows since February’s spot Bitcoin ETF launch, totaling \$5.4 billion. The launch of options on Bitcoin ETFs was met with enthusiasm, further fueling Bitcoin’s rally to new all-time highs. This surge also triggered a catch-up trade in the altcoin market, allowing it to capitalize on Bitcoin’s upward momentum.

The month of December opened with strong momentum in digital asset markets, as Bitcoin surged to \$108,000 ahead of the Federal Reserve’s December meeting. However, this optimism was tempered on December 18th, when the Fed announced a 25-basis-point interest rate reduction alongside unexpectedly hawkish guidance, signaling only two additional rate cuts in the near term. This shift in tone prompted a sharp retreat across the digital asset market, with Bitcoin declining 15% from its peak and the altcoins erasing most of the gains they accrued since the post-election breakout in November. The Federal Reserve expressed concerns that inflation could reaccelerate, citing the resilience of the U.S. economy as a potential driver of renewed upward price pressures. This cautious stance dampened risk appetite, underscoring the ongoing tension between monetary policy adjustments and market expectations.

Digital Assets Rallied Into Year-End



Source:
CF Benchmarks, Bloomberg, as of December 18, 2024

2. Macro Backdrop

Growth Outlook

The global economy maintains moderate growth heading into 2025, marked by stark regional disparities. While U.S. markets digest election results and anticipated Federal Reserve policy shifts, mounting pressures from China's property sector crisis, political turbulence in Europe, and persistent inflation in developing economies heighten global uncertainty.

Can Animal Spirits Awaken Economic Dynamism?

The U.S. economy is set to begin the new year with measured optimism following Donald Trump's return to the presidency. While markets and businesses respond favorably to expectations of deregulation and potential tax cut extensions, questions linger about the sustainability of this sentiment and the true drivers of growth. The economy is projected to maintain a modest growth rate through mid-2025—a pace that aligns with potential but falls short of exceptional. This expansion rests primarily on two pillars: sustained consumer spending and recovering business investment. Affluent households, whose spending patterns closely track market performance, remain critical to maintaining aggregate demand as equity markets show renewed strength.

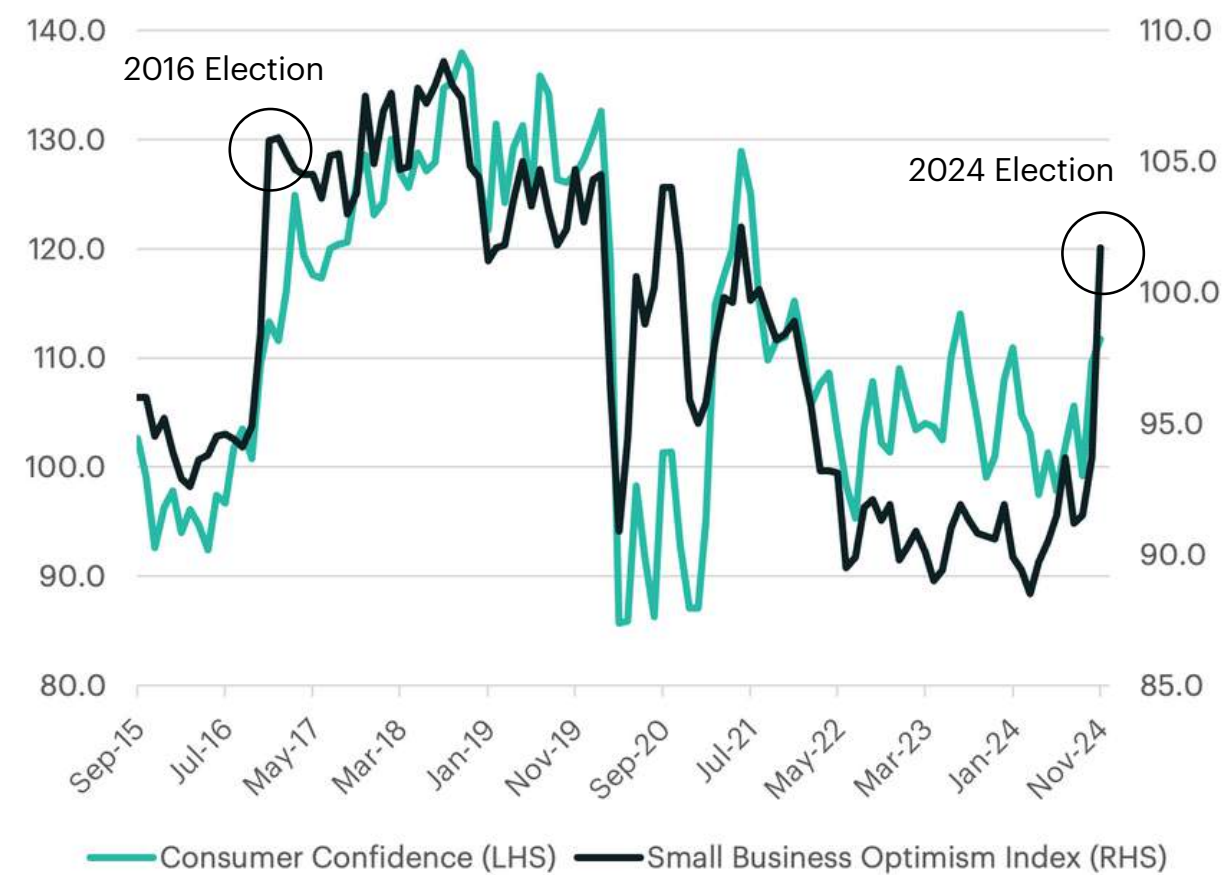
Keynes' famous "animal spirits" are alive and kicking, as the small business sector exhibits renewed confidence post-election. Companies are positioning themselves for future opportunities despite ongoing uncertainties around trade policy and broader economic conditions. However, the potential persistence of restrictive monetary policy may pose a significant challenge to this optimistic outlook.

So, where does that leave us? 2025's economic narrative balances optimism with prudence. While revived business confidence may fuel certain sectors, overall growth likely remains anchored near its longer-term potential. The interplay between Federal Reserve policy, consumer behavior, and business investment will shape the year's economic trajectory, suggesting investors should maintain modest growth expectations while seeking secular opportunities in disruptive technology.

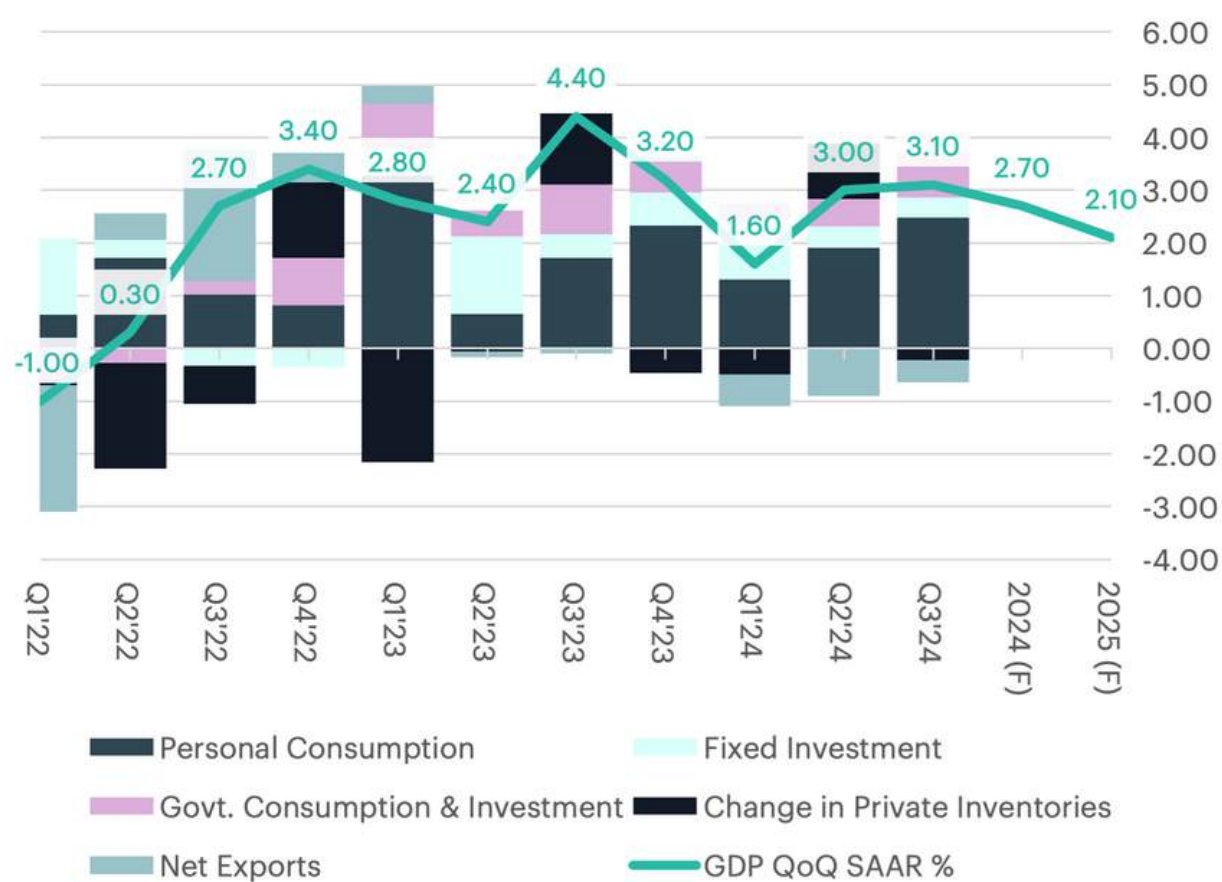
Portfolio Perspective

The U.S. growth outlook for 2025 may defy consensus expectations, as renewed business confidence and resilient consumer spending challenge forecasts of a slowdown to 2.1%. **This economic resilience, driven by rekindled "animal spirits," should bolster investor sentiment toward risk assets.** Therefore, we expect global growth contributions to remain concentrated to the U.S.

Sentiment Surges After 2016 and 2024 Wins



U.S. GDP Contributions & Consensus Forecasts



Source: CF Benchmarks, (Top) Conference Board, NFIB, Bloomberg. (Bottom) Bloomberg Consensus Forecasts, as of December 19, 2024

Inflation Outlook

The inflation story for next year will be one of progress—but not perfection. While global inflation is on track to cool, the road ahead remains uneven.

Progress, Patience, and Persistent Risks

In the **United States**, inflation is likely to linger above the Fed’s 2% target, with the consensus projection for Core PCE at 2.3%. Price pressures are cooling, but sticky services inflation and wage-driven costs continue to smolder. Shelter and core services remain persistent culprits, while an equity-driven wealth effect could keep demand surprisingly buoyant. It’s a victory of sorts—consider where we were two years ago—but not one that leaves policymakers or markets entirely at ease, particularly as cyclical factors continue to influence price pressures.

A Mixed Picture...

Across the Atlantic, **Europe’s** inflation outlook is more encouraging. Headline inflation is set to fall to 2% by mid-2025, driven largely by energy base effects and moderating wage growth. The ECB is likely to respond with a steady string of rate cuts—100 basis points over the year—bringing borrowing costs closer to neutral. Still, political uncertainty in major economies like France and Germany looms large, leaving room for unexpected economic disruptions.

Japan’s inflation story is no longer just about temporary cost-push factors like energy or imported goods. The foundation is shifting. Wage growth—Japan’s Achilles’ heel for decades—is finally picking up. Furthermore, persistent currency weakness pushing up the cost of imports, and inflation has staying power.

For **emerging markets**, inflation is a tale of contrasts. **China**, grappling with deflationary pressures amid a protracted property slump, remains an outlier. Meanwhile, **Turkey and Argentina** are cooling runaway inflation but still battling rates well outside the comfort zone. **India**, on the other hand, balances a tight RBI policy with structural growth drivers, keeping inflation steady as the economy accelerates.

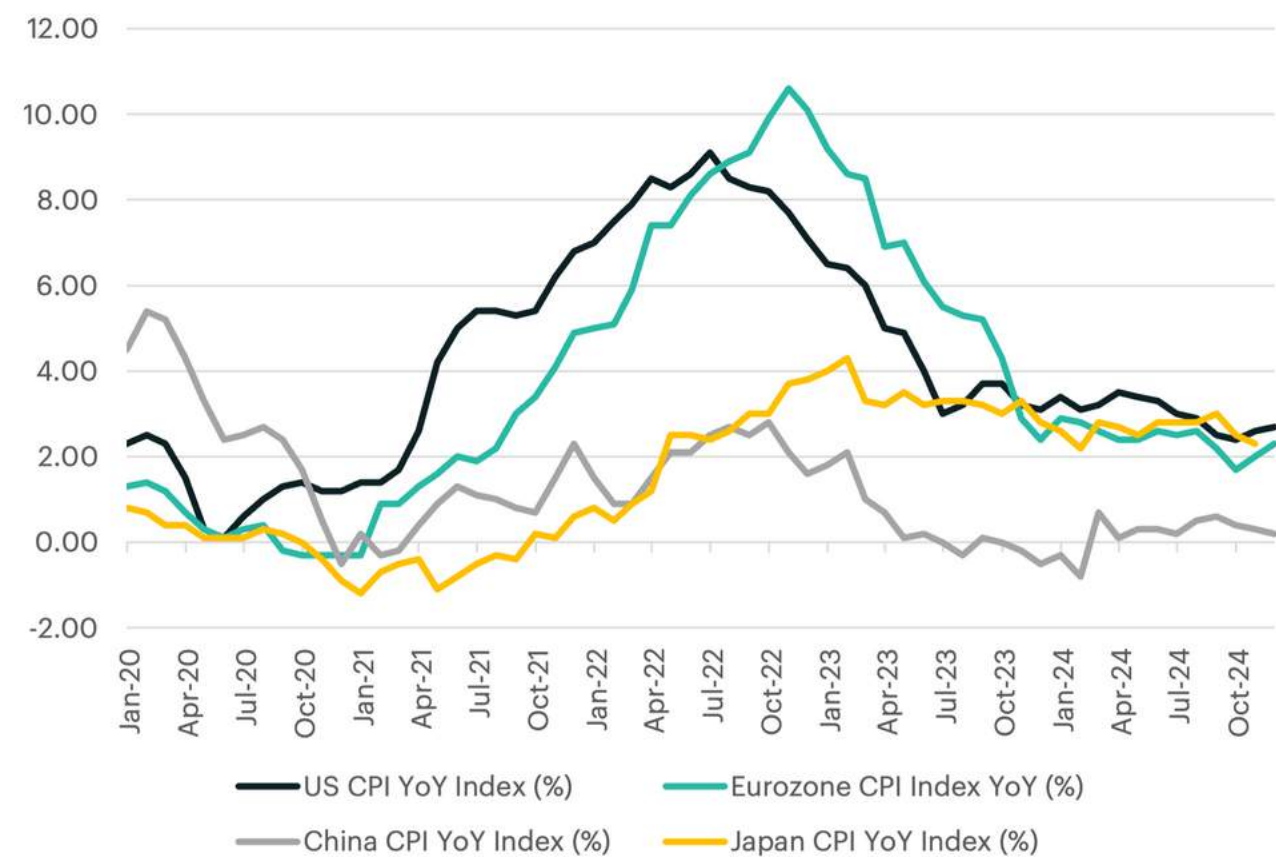
Portfolio Perspective

Global inflation is on a downward path, but the journey will test central banks and markets alike. In the U.S., inflation remains stubborn but slowing. Elsewhere, Europe will likely celebrate a swifter return to target, while emerging markets chart their own unpredictable course.

Heatmap of U.S. Cyclical Core PCE Inflation



The Global Inflation Picture



Source: CF Benchmarks, (Top) Bloomberg, San Francisco Fed. (Bottom) Bloomberg, as of December 17, 2024

Monetary Outlook

Central banks across the globe are stepping onto a narrow tightrope, balancing growth concerns against lingering inflation. The Federal Reserve remains the center of attention, and is poised to trim rates cautiously while keeping its hawkish toolkit close. Elsewhere, the ECB, BOE, and a mix of emerging market players are on their own distinct trajectories—some loosening policy aggressively, others holding the line.

Measured Cuts, But No Victory Lap

The Federal Reserve, after its December 25-basis-point rate cut, signaled what many market participants already anticipated: easing is coming, but at a more gradual pace. By year-end, we now expect only 75 basis points of cumulative cuts - a more cautious path than pre-election forecasts suggested, but 25 basis points more than the Fed's current guidance. While inflation is cooling, it remains stubbornly above target. However, we expect upcoming weaker employment data will provide room for this additional rate cut.

Bond Vigilantes: Will Borrowing Costs Force the Fed’s Hand?

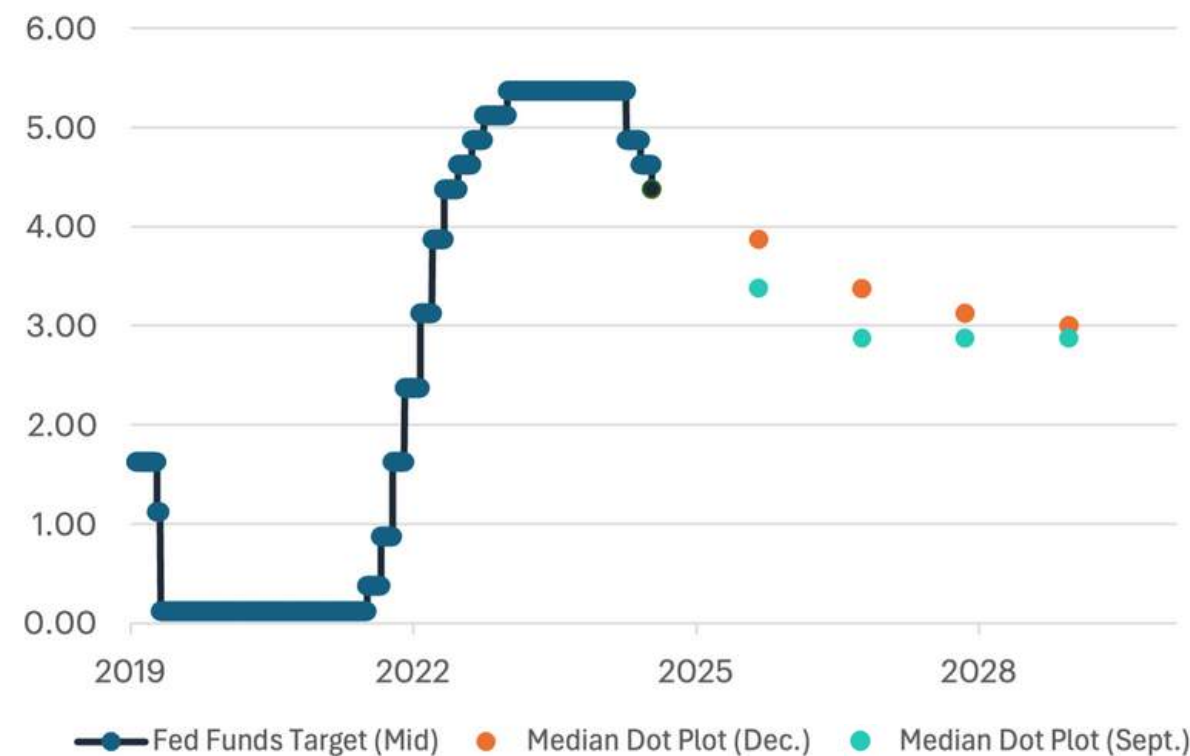
The risk of bond vigilantes reemerging is hard to ignore as persistent deficits and rising interest burdens test investor patience. Historically, these market enforcers—who punish fiscal laxity by offloading bonds and driving yields higher—have pushed borrowing costs to levels that demand a policy response, most notably during the 1980s and 1990s when debt burdens matched today's levels. Now, with the Congressional Budget Office (CBO) projecting interest expense to breach 4% of GDP in the next decade, surpassing peaks seen during prior vigilante episodes, the stakes are rising. Notably, this CBO projection is a baseline forecast, assuming no further tax cuts and lower Treasury yields—conditions that may prove overly optimistic.

Could the Federal Reserve intervene? Absolutely. If yields surge uncontrollably, the Fed might counter with asset purchases, quantitative easing, or even yield curve control—explicitly capping rates at targeted levels to stabilize borrowing costs. So far, bond auctions remain stable, with no signs of tailing, suggesting investors are still on board. But how long can this balance last? If vigilantes return, the Fed may face an unprecedented challenge to hold the line.

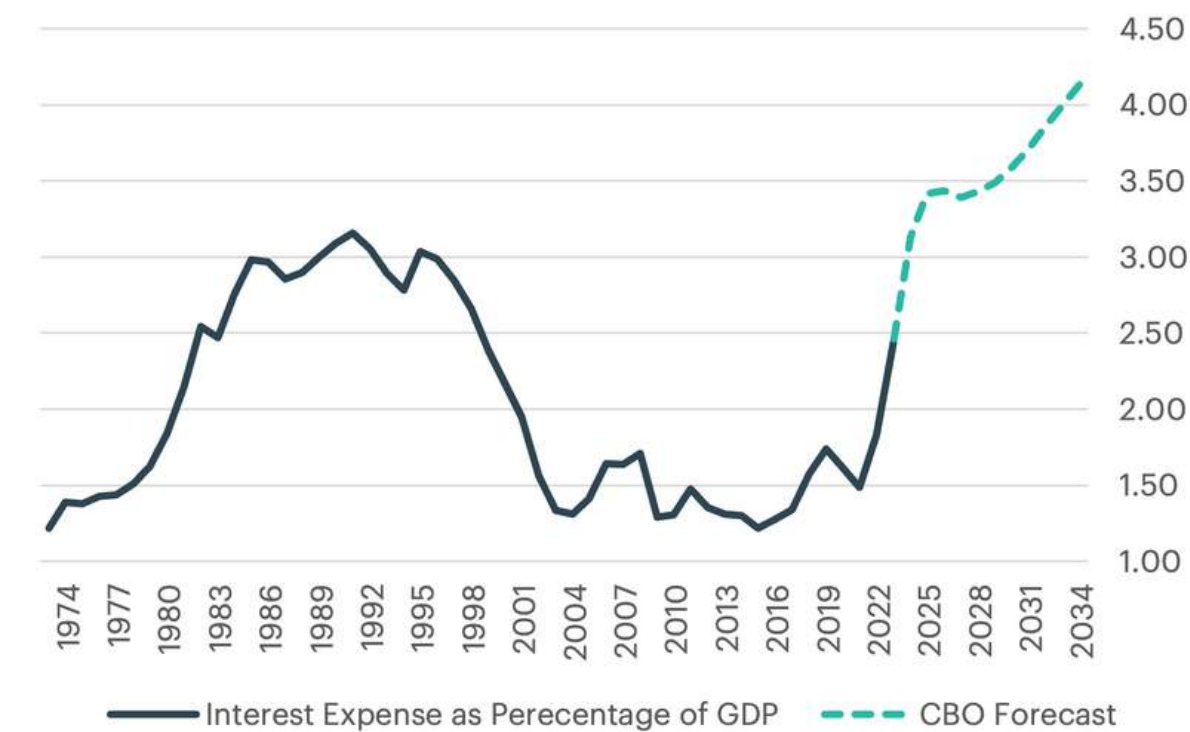
Portfolio Perspective

Higher debt servicing costs and a weak labor market may flip the Federal Reserve back toward dovish forward guidance and unconventional measures, like yield curve control or expanded asset purchases, to stabilize borrowing costs and economic growth. **Deeper debt monetization should elevate inflation expectations, bolstering hard assets like Bitcoin as hedges against monetary debasement.**

Fed Adopts a More Hawkish Glide Path



Interest Costs Near Vigilante Territory



Source:
CF Benchmarks, Bloomberg, as of December 18, 2024

Policy Outlook

The Trump 2.0 Playbook

President Trump’s **tax proposals**, including a corporate tax rate cut to 15% and extended income tax cuts, aim to spur growth but face resistance from Congressional fiscal hawks over deficit concerns. His **tariff plans**, like a 60% duty on Chinese imports, risk global trade disruption but we expect duties to be focused on targeted import categories to avoid challenges. The **Department of Government Efficiency (DOGE)**, led by Elon Musk, seeks to advise on streamlining federal operations but relies on Congressional collaboration, which we anticipate will dampen its effectiveness on cost-cutting. Meanwhile, the proposed **Strategic Bitcoin Reserve (SBR)** faces hurdles, including volatility concerns and required legislative approval, despite growing state-level and institutional interest in Bitcoin’s economic potential.

Federal Reserve policy impacts have centered on speculation about Trump replacing or demoting Chair Jerome Powell, a move fraught with legal and institutional challenges. While Powell's term runs through 2026, Trump has not explicitly signaled intent to act, suggesting potential strategic restraint amid market sensitivities.

Trump's **immigration policies** emphasize large-scale deportations, alongside enhanced border security measures such as reinstating asylum restrictions and negotiating regional migration controls. These actions, while addressing unauthorized entry, risk economic disruption in labor-dependent sectors like construction and hospitality. Consequently, deportations are likely to remain more practical and narrowly focused. Logistical and international cooperation challenges could hinder broader implementation, underscoring the complexity of achieving policy objectives without significant economic and geopolitical implications.

The **deregulatory** agenda focuses on reducing regulatory burdens, particularly in the energy and financial sectors, with an additional focus on the cryptocurrency industry. The anticipated passage of a formal market framework, similar to the previously proposed Financial Innovation and Technology for the 21st Century Act (FIT21), could establish clear guidelines dividing regulatory oversight between the SEC and CFTC. A restructured SEC under pro-cryptocurrency leadership may reduce enforcement risks and foster innovation. These changes, coupled with streamlined compliance requirements, could enhance investor confidence. We believe that an industry framework will come, however, implementation delays or policy shifts may temper market optimism, creating short-term volatility.

Fiscal Policy	Executive Action	Congressional Legislation	Potential Court Challenge
Taxes		<div></div>	
Tariffs	<div></div>		<div></div>
Strategic Bitcoin Reserve	<div></div>	<div></div>	
Department of Government Efficiency		<div></div>	

Fed Policy

Demote / replace Jerome Powell	<div></div>	<div></div>
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Immigration Policies

Deportation	<div></div>	<div></div>
Border Security	<div></div>	<div></div>

Deregulation

Ease regulation on crypto industry	<div></div>	<div></div>
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Source: CF Benchmarks, Bloomberg, as of December 18, 2024

3. Secular Themes

Scalability to be Tested in 2025

Block Space Supports Growth

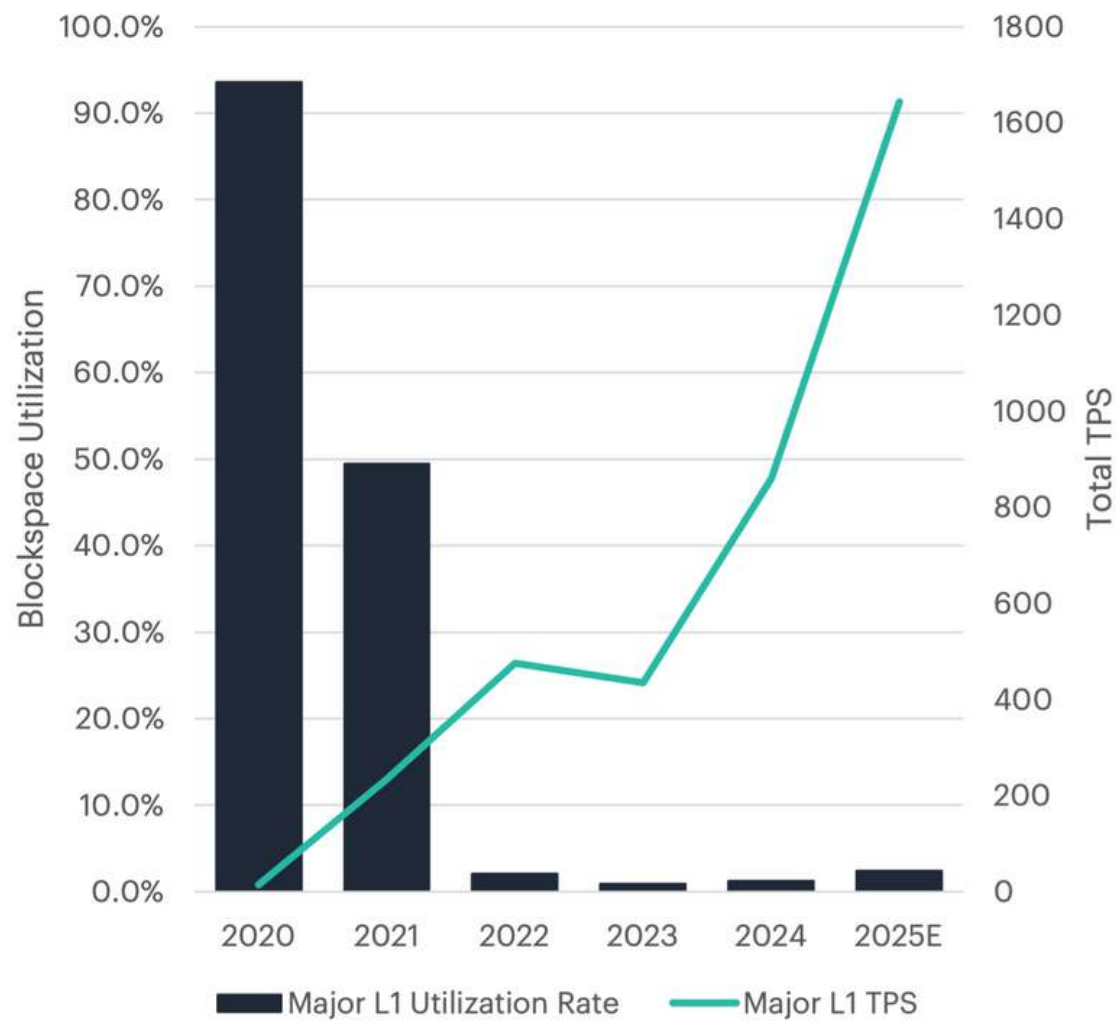
Over the past five years, distributed ledgers have progressed from facing tight capacity constraints to an abundance of blockspace. In 2020, Bitcoin and Ethereum were nearly saturated with about 97% of blockspace full, leading to soaring fees that deterred broad decentralized application (dApp), decentralized finance (DeFi), and non-fungible token (NFT) adoption. Users struggled with volatile transaction costs, making on-chain protocols prohibitively expensive. Today, high-throughput Layer 1 (L1) networks such as Solana, and Layer 2 (L2) solutions have dramatically expanded overall transaction capacity. Solana, for example is capable of handling a maximum of 45,000 transactions per second (TPS) offering more predictable fees, faster settlement, and support for complex, high traffic dApps. This abundance of blockspace has shifted economic incentives. Where scarcity once influenced network value, sustainable growth and user-friendly conditions now take priority.

Looking toward 2025, anticipated user growth may result in the required on-chain capacity nearly doubling to over 1600 TPS. Unlike the previous cycle, due to improvements in headroom blockspace utilization on the largest networks is only anticipated to be 2.4%. This headroom enables larger NFT ecosystems, intricate on-chain governance experiments, and even on-chain high-frequency trading: use cases previously hindered by network congestion and high fees. The result is an industry poised to welcome more participants, foster fresh innovations, and realize blockchain’s broader potential as infrastructure for a wide array of applications.

Portfolio Perspective

Increased blockspace will enable the smart contract platforms with the largest network effects to accommodate the growing volume of transactions. Coupled with the rise in DeFi Total Value Locked in 2024, we anticipate that tokens in the trading, and borrowing and lending segments will benefit from the increased on-chain volume.

TPS & Utilization on Major Networks



Source:
CF Benchmarks, Dune Analytics, as of December 13, 2024

Chart takeaway

Early blockspace limitations drove up costs, artificially capping growth. Since 2021, Ethereum Layer 2s and the introduction of alternative layer 1s have boosted blockspace capacity, enabling over 100% annualized growth in on-chain TPS, with ample room for further growth in 2025.

Stablecoins in the Spotlight

Demand for Tokenized Fiat Currency to Grow in 2025

Stablecoins are set for significant growth, driven by regulatory momentum and increased network adoption. Following the U.S. election, progress toward a comprehensive framework inclusive of reserve requirements, permitted issuers, and redemption policies will enhance institutional confidence and unlock enterprise use cases. Low transfer costs on Ethereum Layer 2s and Solana’s fast, cost-efficient infrastructure will allow stablecoins to continue to meet user demand. Growing investor demand for exposure to digital asset market is expected to set the backdrop for increased stablecoin issuance. **We anticipate the stablecoin market will surpass \$300 billion by the end of 2025, reflecting a 50% increase from its current \$200 billion.**

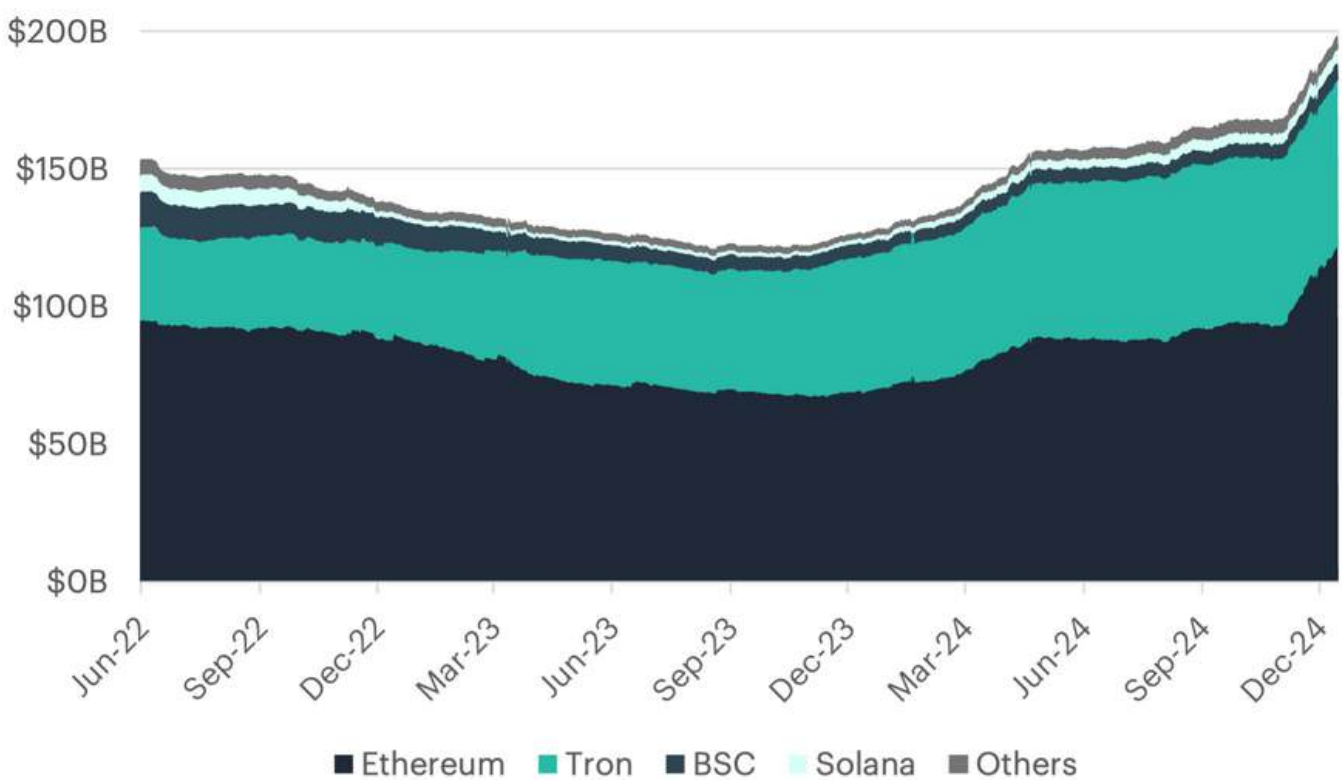
New Entrants Set to Gain Market Share

The stablecoin market is poised for significant shifts in 2025. Since the 2022 bear market, USDT has grown its market share from 50% to 70%, emerging as the clear leader amid market uncertainty. With a more favorable regulatory regime on the horizon in the United States, new entrants like Ripple’s recently launched rUSD and Paxos’s USDG are set to challenge this dominance. **As competition increases, we forecast that other stablecoin issuers will grow from approximately 5% market share to 20% by year-end.** As part of this increased competition, we anticipate a push towards broader stablecoin acceptance. We are increasing our forecast for on-chain payment volumes to \$16–\$20 trillion in 2025, exceeding credit card networks and approaching 20% of ACH payment volumes.

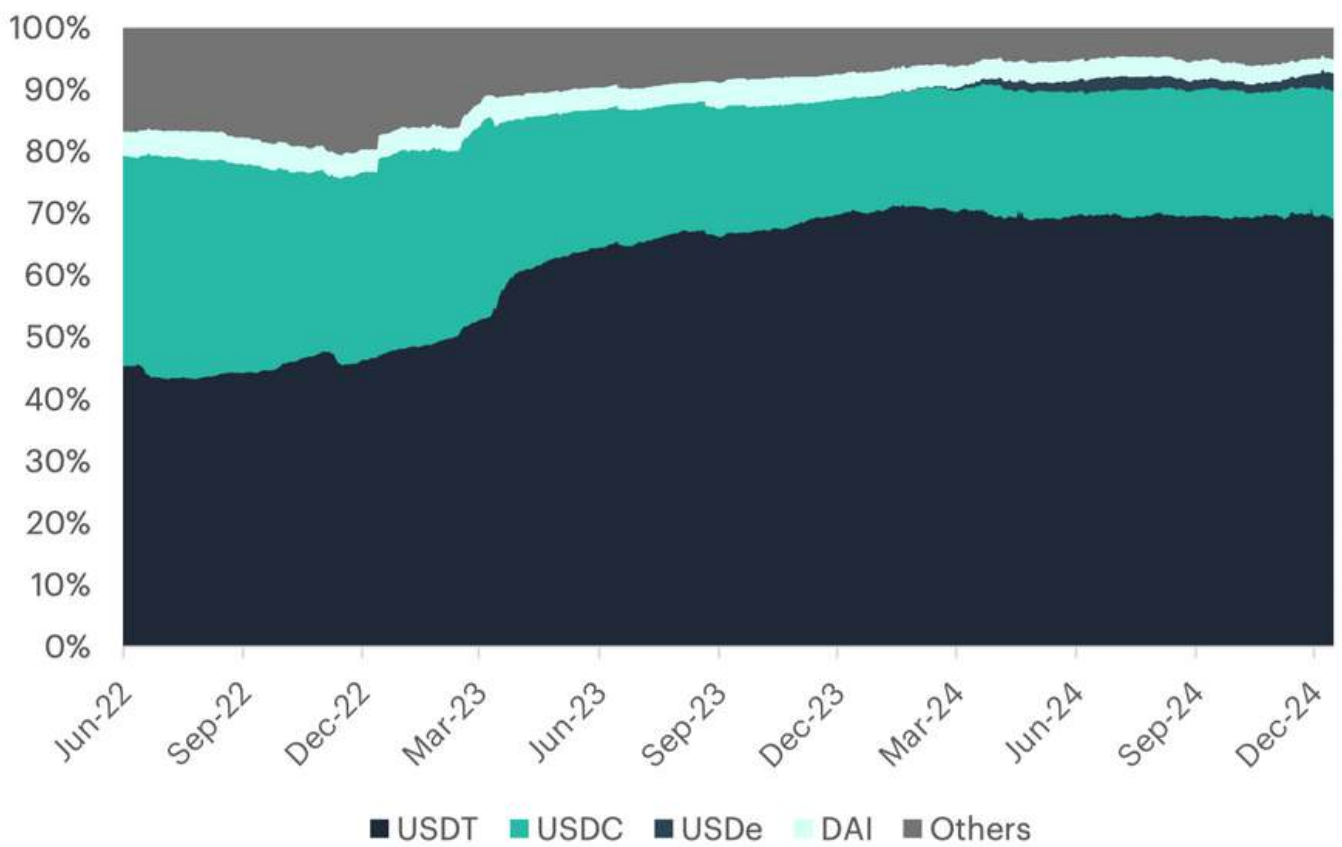
Portfolio Perspective

Stablecoins are likely to see broader institutional adoption in 2025, driven by the establishment of a supportive regulatory framework. Since the creation of the Enterprise Ethereum Alliance in 2017, Ethereum has been the preferred network for institutional development. Coupled with increasing competition for market share, the growth of stablecoins is expected to provide a significant tailwind for the Ether token.

The Stablecoin Market Recorded New Highs in 2024



Tether Dominance Remains High Following Flight to Safety



Source:
CF Benchmarks, Dune Analytics, Defillama as of December 13, 2024

Tokenization Boom Ahead

Money Market Funds Lead the Way to \$30B in Assets

Tokenized real world assets (RWAs) have grown to \$13.6 billion in 2024, with 63% represented by private credit funds and 21% by on-chain money market funds. **We expect the trend towards asset tokenization to accelerate in 2025, with tokenized RWAs topping \$30B.** On-chain money market funds are poised to be the fastest growing category. A key factor behind this growth will be the introduction of Ethena's USDtb stablecoin, backed by BlackRock's BUIDL fund. As the demand for stablecoins increases, this is likely to result in flows into on-chain money market funds from stablecoin minting in addition to investors seeking yield. As a result on-chain money market funds are expected to reach \$10 billion in assets, outpacing other categories to make up 33% of tokenized RWAs.

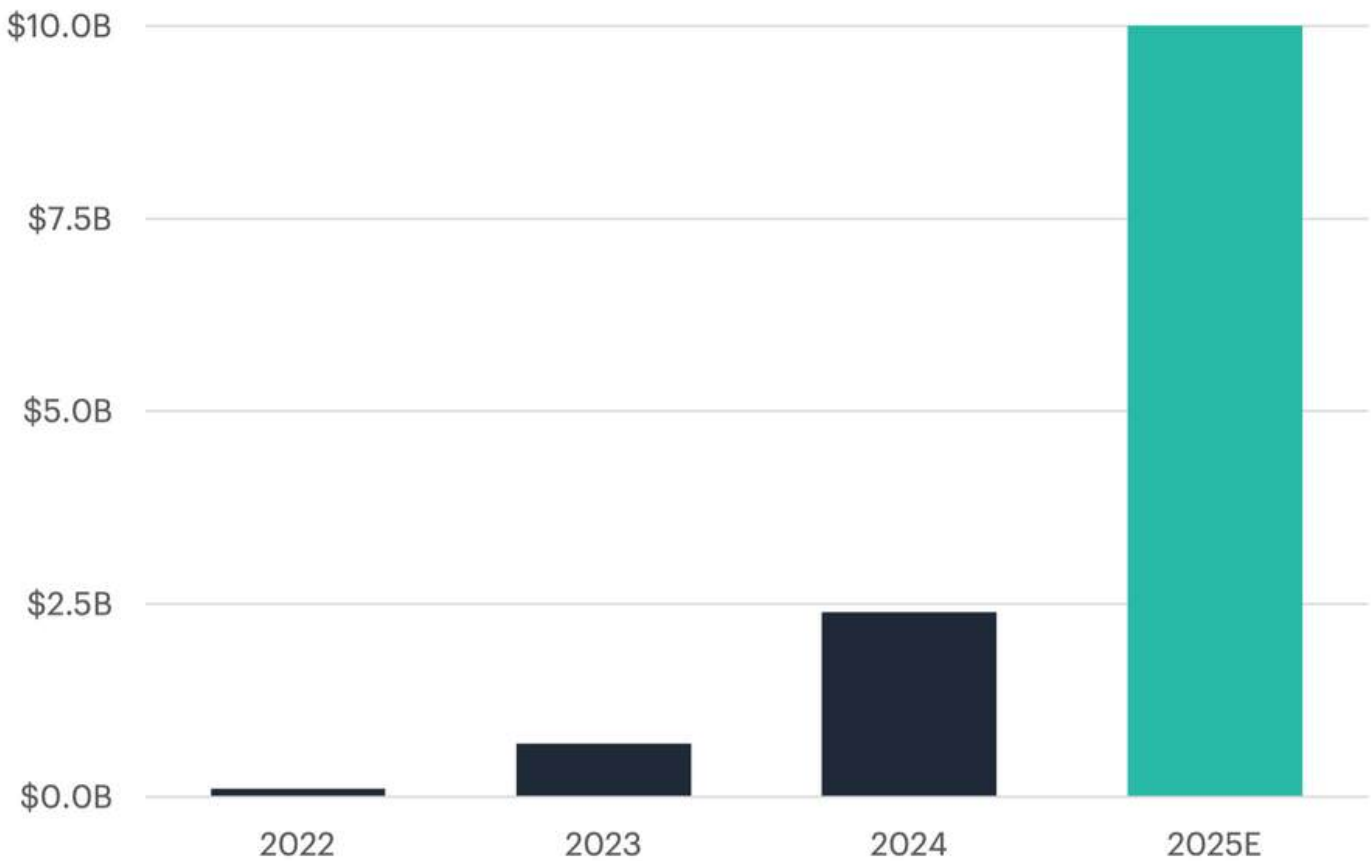
Laying the Groundwork for Tokenized Securities

We anticipate that 2025 will mark the year that a regulatory framework for tokenized securities will be established. While the tokenized securities market holds the potential to bring significantly more than \$30 billion in assets on-chain, the development of the requisite infrastructure is expected to delay substantial growth in this segment until 2026. In the interim, financial institutions are likely to position themselves strategically, either by partnering with or acquiring crypto-native firms in 2025, to prepare for the launch of tokenized securities and other on-chain financial products.

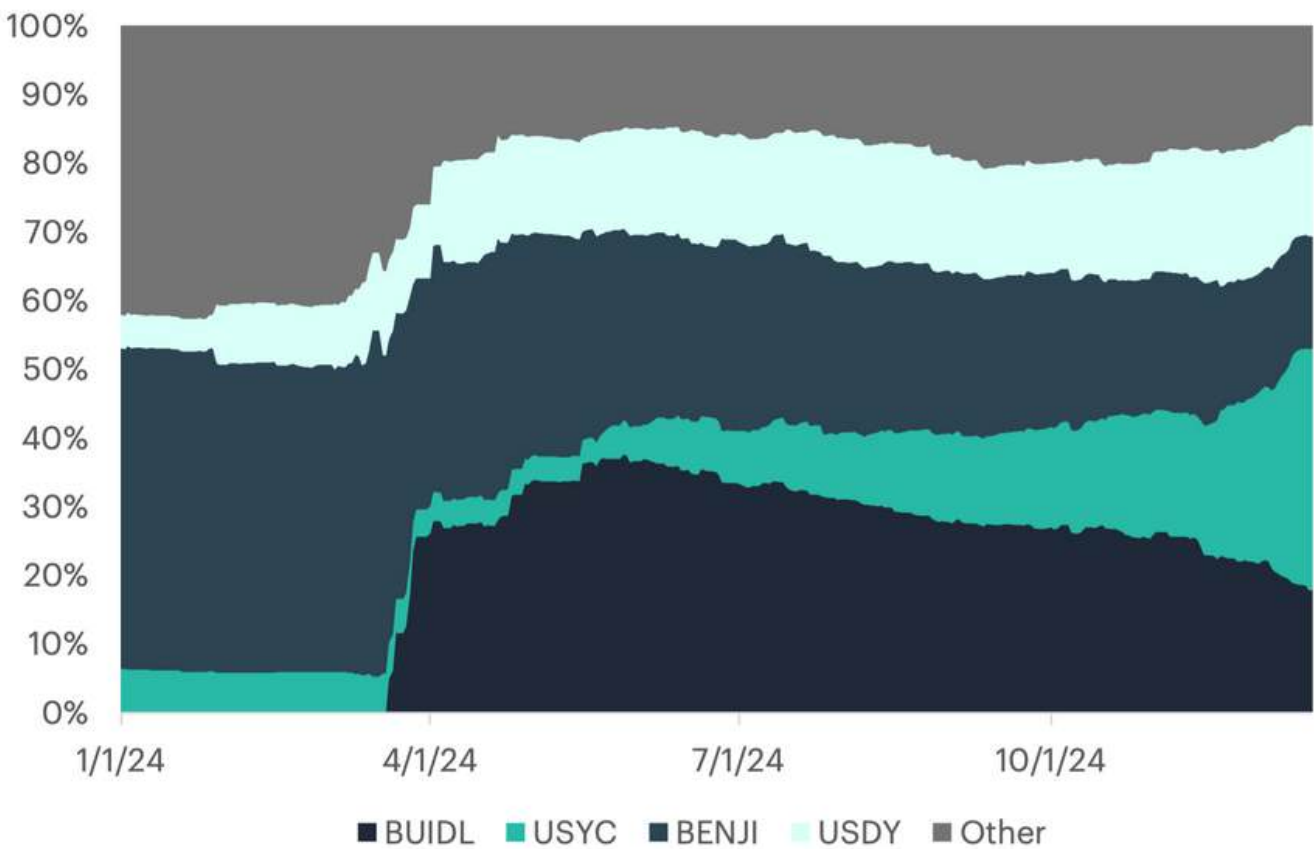
Portfolio Perspective

The push toward asset tokenization is likely to boost sentiment around Ethereum. As the preferred network for institutional development, Ethereum stands to benefit significantly from this trend. **Meanwhile, Layer 1 competitors like Solana may continue to gain market share as regulatory clarity emerges. This narrative could strengthen programmable blockchain's utility and potentially catalyze outperformance in 2025.**

On Chain Money Market Funds to Approach \$10B in 2025



On Chain Funds are Still in Search of a Winner



Source:
CF Benchmarks, Dune Analytics, as of December 13, 2024

The Great Advisor Migration

Dissecting Spot ETF Adoption

The launch of spot crypto ETFs has shattered all previous ETF debut records, with Bitcoin ETFs amassing approximately \$35 billion of net-fund flows since January—dwarfing historic launches like the first gold ETF's initial months of trading. While Ethereum ETFs have also shown promising momentum since their March debut, the ownership landscape tells a compelling story of calculated adoption that hints at substantial growth potential ahead.

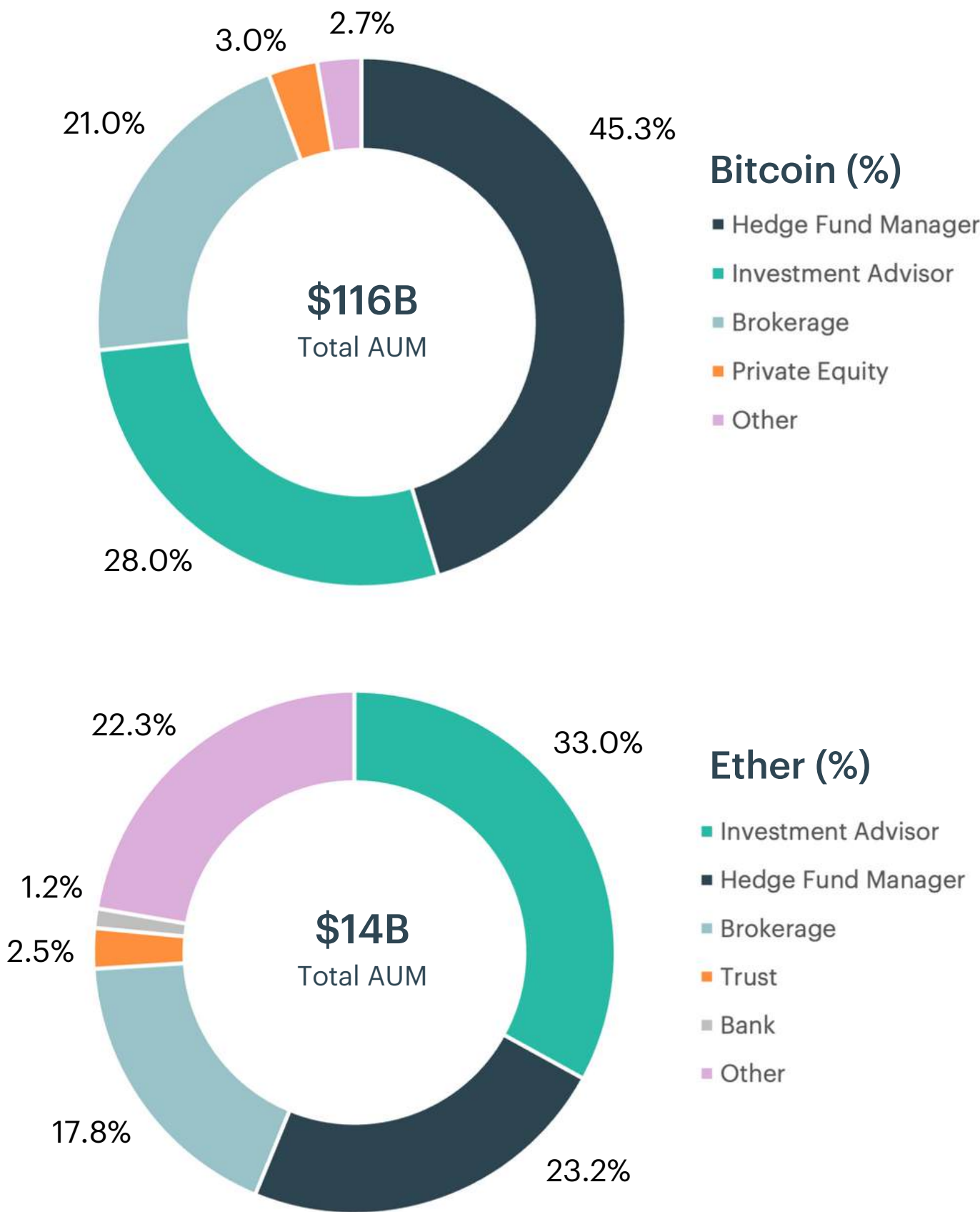
Hedge funds are currently leading the charge, holding 45.3% of Bitcoin ETFs and 23.2% of Ethereum ETFs. Their aggressive positioning suggests sophisticated investors are seizing early opportunities in these new vehicles, likely capitalizing on both arbitrage opportunities and strategic allocations. Meanwhile, investment advisors—traditionally the gatekeepers to retail and high-net-worth capital—hold 28% and 33% respectively, indicating a cautious yet meaningful approach to these new investment vehicles. The ownership structure reveals interesting contrasts between the two assets. Bitcoin's ecosystem shows a more balanced institutional distribution, reflecting its status as the more mature digital asset. Ethereum's landscape appears more concentrated, with the top three investor types controlling nearly 75% of holdings. This divergence likely stems from varying comfort levels with each asset's risk profile and use cases.

With institutional-grade infrastructure now in place and regulatory clarity improving, we expect a steady migration of traditional allocations into these vehicles. Early ownership patterns suggest we're witnessing the initial phase of a broader institutional embrace, with investment advisors poised to lead the next wave of adoption. The question isn't if mainstream capital will flow in, but rather how quickly the transformation will unfold.

Portfolio Perspective

Looking ahead, we project a shift in this composition for 2025. **We expect investment advisor allocations to rise beyond 50% for both assets, as the \$88 trillion U.S. wealth management industry begins to embrace these vehicles, eclipsing 2024's combined record-breaking \$40 billion in net flows.** This transformation, driven by growing client demand, deeper understanding of digital assets, and product maturation, will likely reshape the current ownership mix as these products become staples in model portfolios.

Ownership Composition of U.S. Spot Crypto ETFs



Source: CF Benchmarks, Statista.com Bloomberg, analysis only includes reportable ownership through 13F regulatory filings, as of December 17, 2024

Crypto x AI

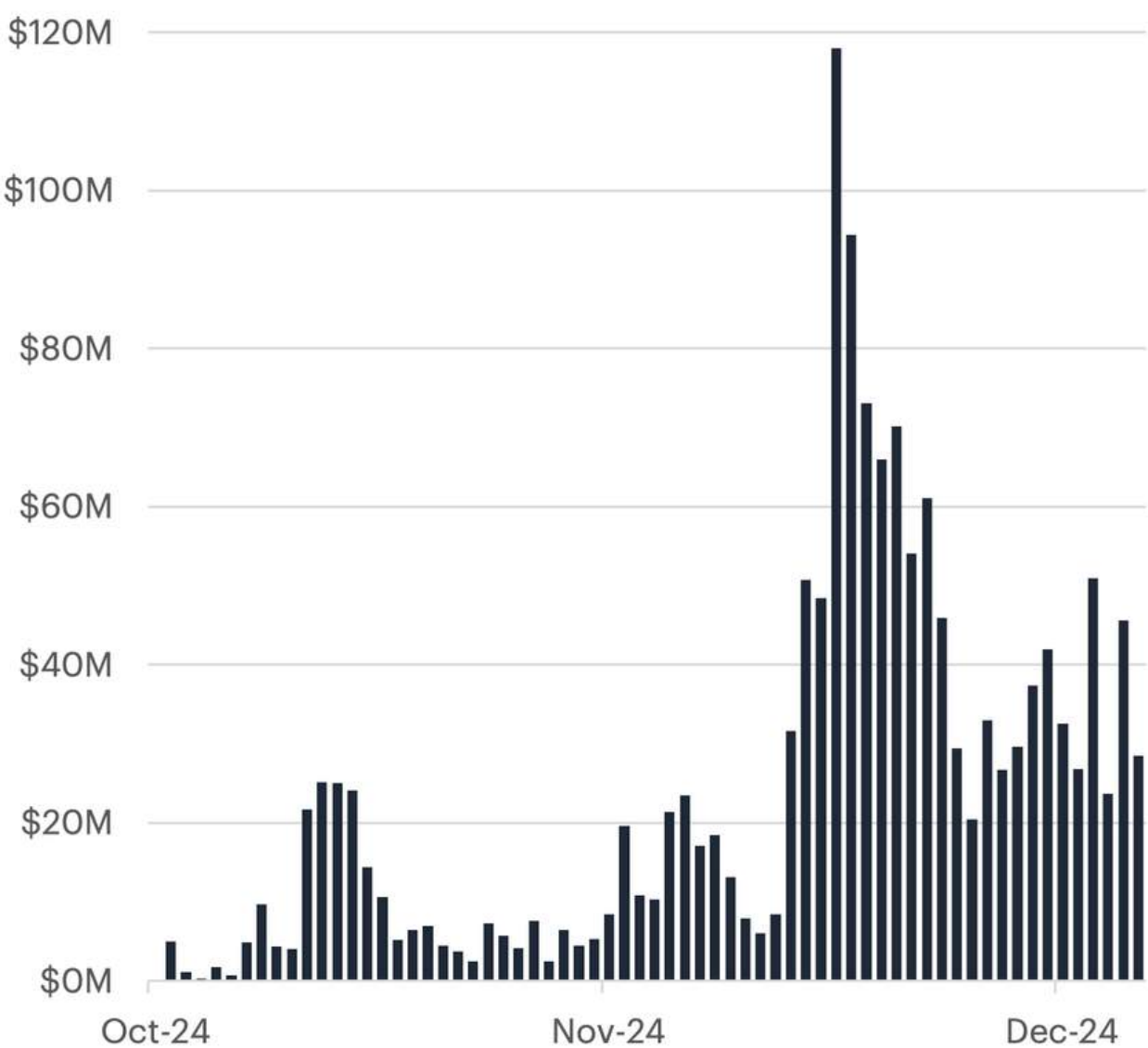
AI Agents are Set for a Breakout Year

In 2025, AI agents are poised to become a transformative force within blockchain ecosystems, representing a significant leap in the integration of artificial intelligence and decentralized technologies. These autonomous programs, capable of executing transactions, managing digital assets, and interacting with decentralized applications without human intervention, thrive in blockchain environments that enable permissionless and near-instant transactions. Their functionality is further augmented by smart contracts, which provide a secure and programmable framework for executing complex operations. The convergence of AI and blockchain is already gaining momentum, with crypto developers leveraging AI to enhance decentralized systems and AI researchers exploring blockchain’s potential to bolster agent autonomy. **By the end of 2025, we expect AI agents will account for over 10% of all on-chain activity**, driven by advancements in blockchain scalability and interoperability. Additionally, increasing venture capital investment is anticipated to propel several startups in this space to unicorn status. As functionality expands, AI agents will likely play a pivotal role in redefining the scope and efficiency of decentralized applications and networks.

AI Boom to Drive DePIN GPU Demand

Decentralized Physical Infrastructure Networks (DePIN) broke out in 2024, challenging the dominance of traditional cloud providers. By creating marketplaces for computing power, storage, and bandwidth, DePIN networks offer a compelling alternative to centralized cloud platforms. Notably, DePIN compute networks can reduce GPU compute costs by up to 90%, unlocking significant cost savings for businesses reliant on high-performance computing. As global cloud revenues surpassed \$600 billion in 2024, growing over 20% since 2023, rentals on DePIN networks have shown even faster growth. Year-to-date in 2024, GPU rental spending on some DePIN protocols has increased tenfold, reflecting the rising demand for accessible and cost-effective solutions. **We expect this trend to accelerate in 2025, with total on-chain cloud spending potentially surpassing \$50 million.** As decentralized networks continue to mature, they are well positioned to disrupt the existing cloud infrastructure providers.

Daily On-Chain Volume By Virtuals Protocol Agents



Source:
CF Benchmarks, Dune Analytics as of December 13, 2024

Portfolio Perspective

AI agents have the potential to transform on-chain liquidity and volumes, much like the rise of algorithmic trading revolutionized equity markets. **In 2025, we expect AI agents to drive significant demand for blockspace.** Tokens in the CF Blockchain Infrastructure Index are well-positioned to benefit, as Layer 2 scaling solutions provide the cheap and fast transactions these agents will require.

4. Asset Class Overview & Forecasts

Consensus Forecasts

Equities: Analysts are projecting a broadly positive outlook, with Chinese stocks leading at 26.6% expected gains, followed by emerging markets (+20.0%). Japanese, U.S., and European equities are forecast to rise between 13-16%. Earnings growth looks particularly strong in emerging markets and U.S. stocks at 18.5% and 13.1%, respectively. While most markets face valuation compression, notably in U.S. and Chinese shares, the strong earnings growth is expected to more than offset these headwinds.

Interest Rates: Markets are pricing in substantial policy rate cuts across most major economies, with the UK and Eurozone leading at 1.05% and 0.85% reductions. The U.S., Canada, and Australia are forecast to cut rates by 0.60-0.80%. Japan stands as the exception, with a projected 0.55% rate increase. This trend is reflected in longer-term yields, with most markets showing declines while Japanese yields trend modestly higher.

Commodities: Analysts expect divergent paths for key commodities, with gold projected to rise 3.0% to \$2,675/oz and copper seeing a modest 1.1% increase. Crude oil is forecast to decline by 2.8%, with prices expected to fall below \$68 per barrel.

FX: The U.S. dollar is expected to weaken broadly, with the DXY index projected to fall 2.9%. The most significant moves are forecast in USD/JPY, dropping 8.2% to 145, and USD/CAD declining 4.9%. Other currencies are expected to strengthen against the dollar, with the Australian dollar rising 4.8%, British pound up 2.4%, and euro gaining 1.0%.

GDP Growth: Economic forecasts show mixed regional growth, with Australia expected to see the fastest growth (+1.9%). Japan and the Eurozone are both projected to gain 0.7%, while the U.S. is forecast to slow by 0.6% to 2.1%. China's growth is expected to moderate slightly to 4.5%, remaining the highest among major economies.

Analysts' & Economists' 2025 Year-end Projections

Equity Markets

	Current Level	Consensus Target	Change (%)	EPS	EPS (NTM)	Change (%)	Current P/E	P/E (NTM)	Change (%)
S&P 500 Index	5,867	6,649	13.3%	239	270	13.1%	26.6	25.1	-5.6%
MSCI Europe	172	198	14.9%	12	12	4.4%	15.0	14.6	-3.2%
Nikkei 225	38,814	45,107	16.2%	1,898	2,004	5.6%	19.0	19.0	0.1%
HANG SENG INDEX	19,753	25,001	26.6%	2,115	2,197	3.9%	9.8	9.5	-3.7%
MSCI EM (ex-China)	1,396	1,675	20.0%	91	107	18.5%	15.3	15.1	-1.4%

Intrest Rates (%)

	Policy Rate	Policy Rate (2025 YE)	Change (%)	2-Year	2-Year (F)	Change (%)	10-Year	10-Year (F)	Change (%)
USA	4.38	3.75	-0.63	4.31	3.68	-0.63	4.57	4.13	-0.44
Japan	0.25	0.80	0.55	0.60	0.91	0.31	1.08	1.38	0.30
Eurozone	3.00	2.15	-0.85	2.05	1.90	-0.15	2.31	2.30	-0.01
United Kingdom	4.75	3.70	-1.05	4.42	3.73	-0.69	4.58	4.07	-0.51
Canada	3.25	2.50	-0.75	3.09	2.46	-0.63	3.34	3.00	-0.34
Australia	4.35	3.55	-0.80	3.98	3.58	-0.40	4.41	4.15	-0.26

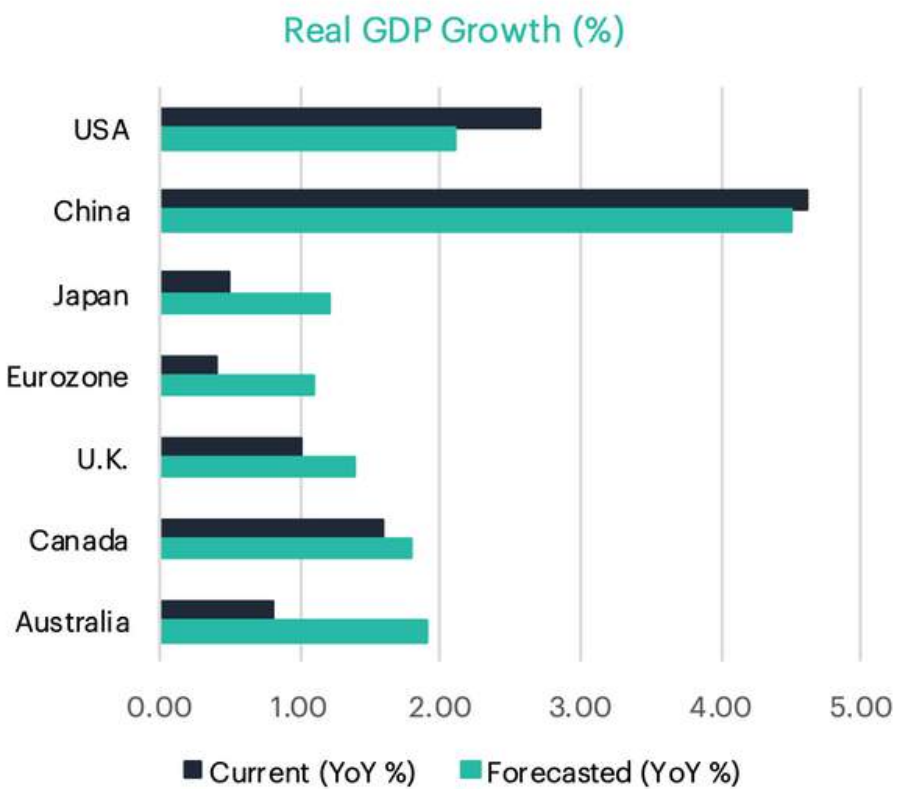
Commodities

	Current Level	NTM Target	Change (%)
Crude Oil (NYMEX)	\$ 69.91	\$ 67.96	-2.8%
Gold (\$/t oz.)	\$ 2,597	\$ 2,675	3.0%
Copper (\$/mt)	\$ 9,029	\$ 9,128	1.1%

FX

	Current Level	NTM Target	Change (%)
EUR/USD	1.04	1.05	1.0%
USD/JPY	158.00	145.00	-8.2%
GBP/USD	1.25	1.28	2.4%
USD/CHF	0.90	0.89	-1.1%
USD/CAD	1.44	1.37	-4.9%
AUD/USD	0.63	0.66	4.8%
DXY Index	108.40	105.30	-2.9%

Source:
CF Benchmarks, Bloomberg, as of December 19, 2024

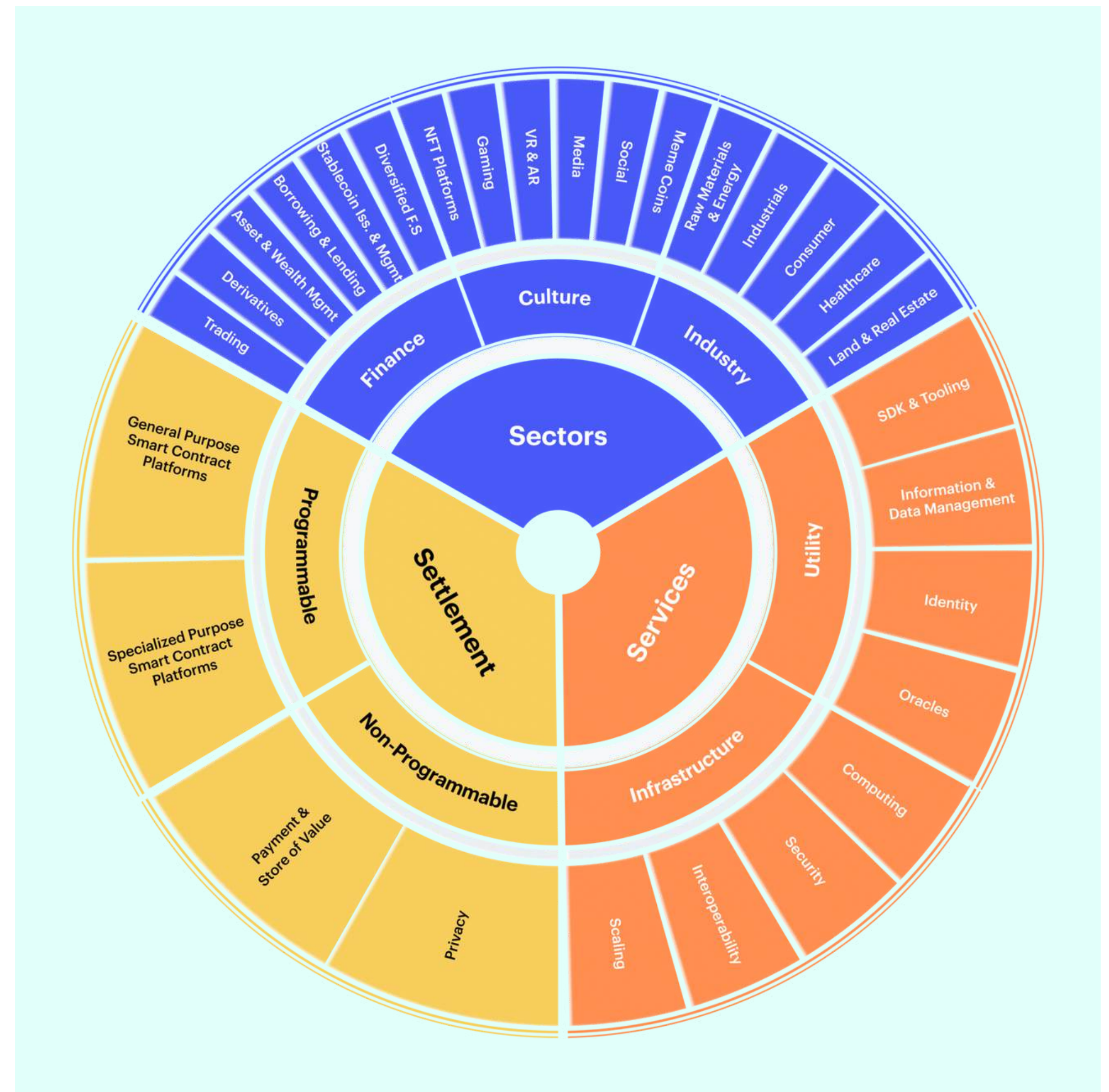


5. Appendix

CF Digital Asset Classification Structure

CF Digital Asset Classification Structure

The CF Digital Asset Classification Structure (CF DACS) classifies coins and tokens based on the services that the associated software protocol delivers to end users, grouping assets by the role they play in delivering services to end users. The CF DACS powers CF Benchmarks' sector composite and category portfolio indices and allows users to perform attribution analysis to better understand the fundamental drivers of returns within their digital asset portfolios.



Additional Resources

Additional Resources

For more information about our CF Benchmark indices and our methodologies, please visit the respective web links below:

- [CF Diversified Large Cap Index](#)
- [CF DeFi Composite Index](#)
- [CF Web 3.0 Smart Contract Platforms Index](#)
- [CF Digital Culture Composite Index](#)
- [CF Blockchain Infrastructure Index](#)
- [CF Cryptocurrency Ultra Cap 5 Index](#)
- [CF Broad Cap Index Market Cap Weight](#)
- [CF Broad Cap Index Diversified Weight](#)

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Appendix

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