

May 2025

Monthly Market Recap

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Market Performance

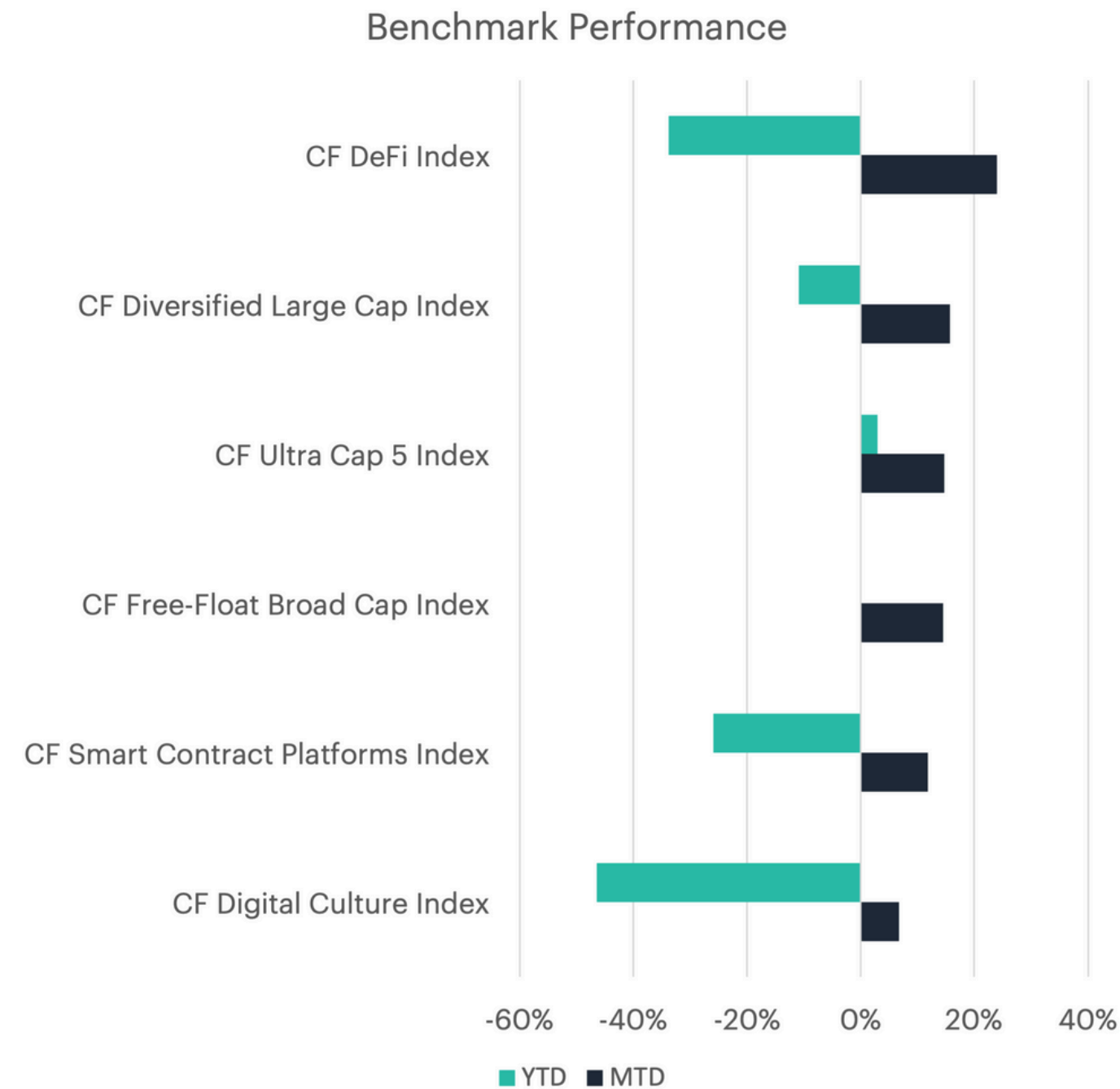
ETF Inflows Lift Bitcoin as New Tax Bill Lifts Spending



Market Summary

In May 2025, Bitcoin surged to a new all-time high of \$112,000, buoyed by strong ETF inflows and improving macro sentiment. The launch of CME's regulated XRP futures expanded institutional access to crypto markets. Spot Bitcoin ETFs, led by BlackRock's IBIT, saw robust capital inflows (+\$6.7B), though momentum slowed by month's end. Easing trade tensions supported risk assets, though uncertainty persisted amid new developments on U.S. tariffs, as the Trump administration agreed to temporarily reduce tariffs on China. Meanwhile, a sweeping tax-and-spend bill passed in the House of Representatives, sparking debate over deficit expansion and its potential long-term economic implications for fiscal stability.

The CF DeFi Index led returns, surging 23.99% month-to-date despite remaining down 33.83% year-to-date. The CF Diversified Large Cap Index followed, gaining 15.69% (YTD -10.86%), while the CF Ultra Cap 5 Index rose 14.76% (YTD +3.01%). The CF Free-Float Broad Cap Index added 14.49% (YTD -0.07%), and the CF Smart Contract Platforms Index increased 11.79% (YTD -25.96%). Sector-specific indices posted mixed results, with the CF Digital Culture Index rising 6.80% (YTD -46.41%). Investor preference continued to lean toward large-cap and blue-chip assets over speculative segments, with CF Ultra Cap 5 alone showing definitive YTD gains.



All index performance is rebased to 100.
Source: CF Benchmarks, Bloomberg, as of May 31, 2025



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Major Crypto-Pairs



| Name | Category | Sub-Category | Segment | 1 Month | 3 Month | 1 Year | 30 D Volatility |
|-------------------|------------|------------------|--|---------|---------|--------|-----------------|
| Aave | Sectors | Finance | Borrowing & Lending | 49.7% | 28.6% | 138.2% | 77.06 |
| Ether | Settlement | Programmable | General Purpose Smart Contract Platforms | 41.7% | 14.4% | -32.9% | 77.25 |
| Uniswap | Sectors | Finance | Trading | 15.9% | -17.7% | -39.8% | 87.57 |
| Apecoin | Sectors | Culture | Social | 15.2% | -4.8% | -51.3% | 84.04 |
| Bitcoin Cash | Settlement | Non-Programmable | Store Of Value And Payment | 14.1% | 31.3% | -8.8% | 62.06 |
| Dogecoin | Settlement | Non-Programmable | Store Of Value And Payment | 12.2% | -3.6% | 22.0% | 77.59 |
| Bitcoin | Settlement | Non-Programmable | Store Of Value And Payment | 10.8% | 24.5% | 55.0% | 27.09 |
| Solana | Settlement | Programmable | General Purpose Smart Contract Platforms | 7.1% | 6.6% | -5.4% | 54.31 |
| Maker | Sectors | Finance | Stablecoin Issuance & Management | 6.8% | -0.5% | -41.6% | 63.74 |
| Synthetix | Sectors | Finance | Derivatives | 4.5% | 53.3% | 50.0% | 87.30 |
| Litecoin | Settlement | Non-Programmable | Store Of Value And Payment | 4.2% | -31.5% | 5.1% | 52.26 |
| Tezos | Settlement | Programmable | General Purpose Smart Contract Platforms | 3.6% | -25.0% | -40.6% | 60.22 |
| Cosmos | Settlement | Programmable | General Purpose Smart Contract Platforms | 3.3% | -2.0% | -46.9% | 76.62 |
| Ethereum Classic | Settlement | Programmable | General Purpose Smart Contract Platforms | 2.7% | -12.8% | -42.7% | 64.38 |
| Cardano | Settlement | Programmable | General Purpose Smart Contract Platforms | 0.9% | 9.4% | 53.4% | 59.25 |
| Chiliz | Sectors | Culture | Social | 0.0% | -20.0% | -72.0% | 73.92 |
| Internet Computer | Settlement | Programmable | General Purpose Smart Contract Platforms | -0.1% | -24.6% | -58.6% | 68.56 |
| Ripple | Settlement | Non-Programmable | Store of Value and Payment | -0.2% | 2.1% | 323.9% | 46.79 |
| Polkadot | Settlement | Programmable | General Purpose Smart Contract Platforms | -0.3% | -12.9% | -41.2% | 62.74 |
| Avalanche | Settlement | Programmable | General Purpose Smart Contract Platforms | -0.5% | -7.0% | -42.2% | 79.09 |
| Chainlink | Services | Utility | Oracles | -1.2% | -4.2% | -23.7% | 68.86 |
| Stellar | Settlement | Non-Programmable | Store Of Value And Payment | -2.5% | -7.7% | 148.8% | 58.57 |
| Filecoin | Services | Utility | Information & Data Management | -5.6% | -19.5% | -54.4% | 70.90 |
| Curve DAO Token | Sectors | Finance | Trading | -6.7% | 47.7% | 44.1% | 78.43 |
| Stacks | Services | Infrastructure | Computing | -7.4% | -9.3% | -58.7% | 86.42 |
| Hedera | Settlement | Programmable | General Purpose Smart Contract Platforms | -8.0% | -21.5% | 67.4% | 63.17 |
| EOS | Settlement | Programmable | General Purpose Smart Contract Platforms | -8.2% | 11.6% | -22.7% | 88.66 |
| Polygon | Services | Infrastructure | Scaling | -9.0% | -20.7% | -69.0% | 66.58 |
| Algorand | Settlement | Programmable | General Purpose Smart Contract Platforms | -11.1% | -17.7% | 3.2% | 69.39 |
| Decentraland | Sectors | Culture | Vr And Ar | -13.3% | -7.5% | -38.4% | 74.62 |
| Fantom | Settlement | Programmable | General Purpose Smart Contract Platforms | -21.4% | -42.2% | -50.8% | 88.87 |

Leaders

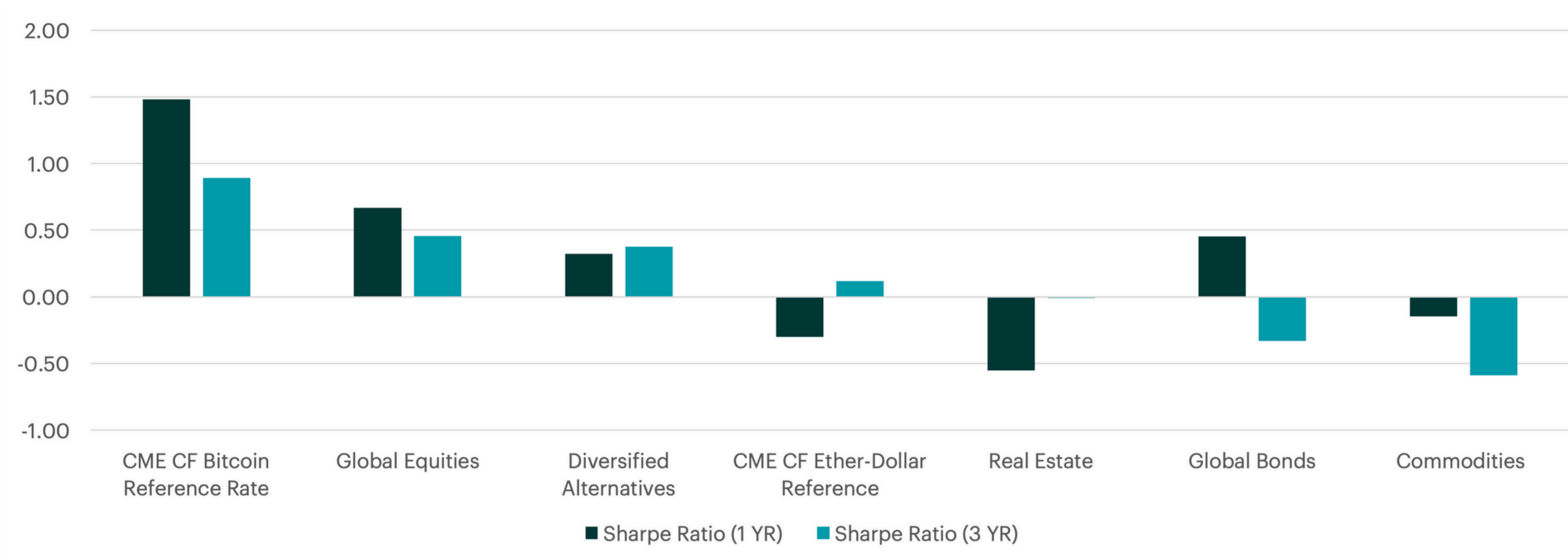
Aave rallied 49.7% in May as adoption of its GHO stablecoin accelerated. Ether followed with a 41.7% jump, buoyed by the Pectra upgrade in early May. Bitcoin Cash added 14.1%, supported by anticipation of its virtual machine upgrade, which expands smart contract capacity, and spillover interest from Bitcoin’s latest all-time-high rally.

Laggards

Fantom sank 21.4% despite its Sonic mainnet upgrade going live in May, while Decentraland slid 13.3% as interest in the metaverse continued to fade. Algorand and Polygon retreated 11.1% and 9.0%, respectively, following their own network upgrades, suggesting that investors chose to “sell the news” on these tokens in May.

Source: Returns are based in USD terms, CF Benchmarks, Bloomberg, as of May 31, 2025

Trailing Risk-Adjusted Returns

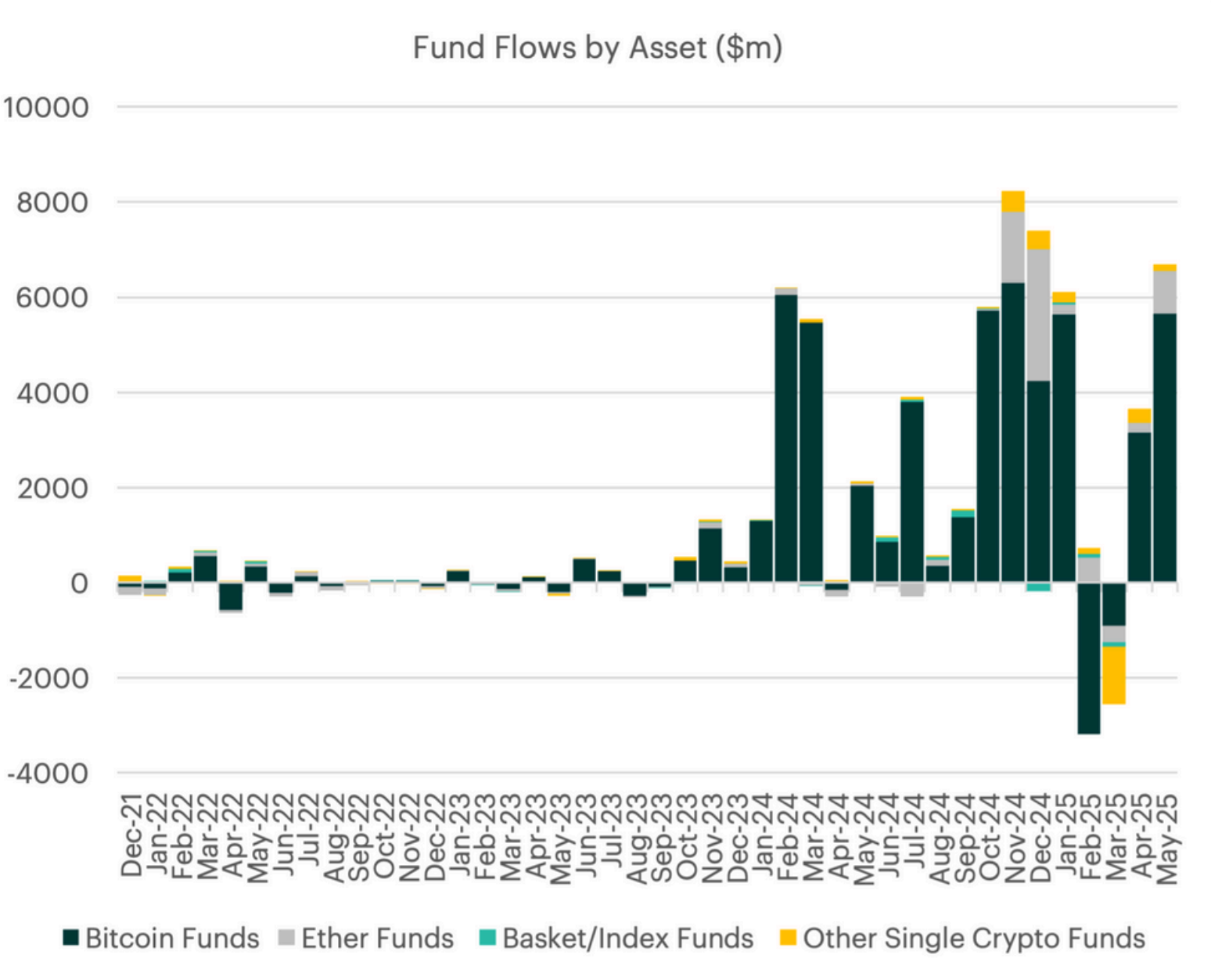


- When compared to traditional asset classes, Bitcoin has delivered strong risk-adjusted performance over both 1-year and 3-year horizons. In contrast, Ether's performance has been more volatile, with a negative 1-year Sharpe ratio but a modestly positive 3-year ratio, indicating longer-term stability despite short-term underperformance.

Source: CF Benchmarks, Bloomberg, total return indices are referenced in USD, as of May 31, 2025

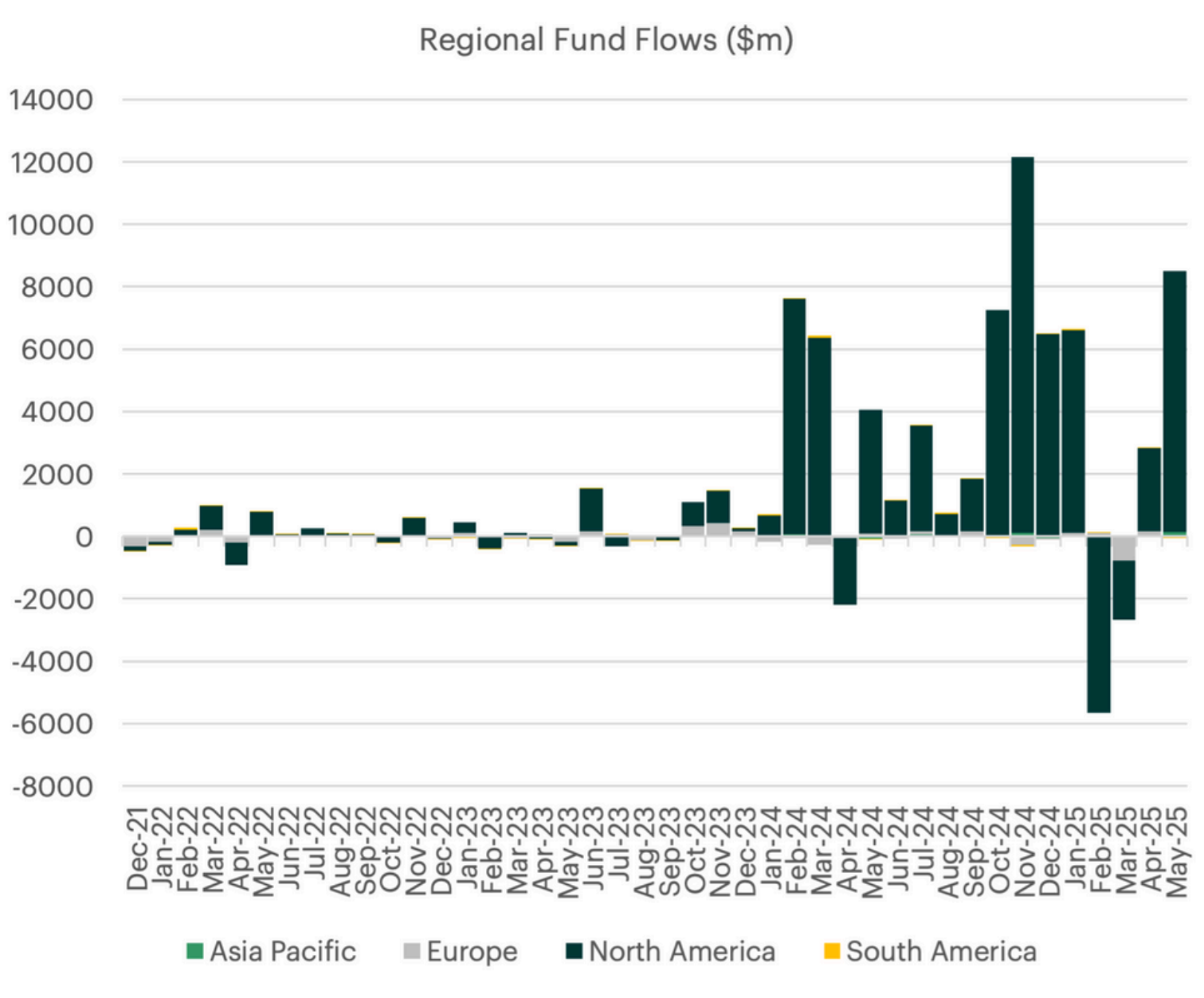
Investor Activity & Sentiment Positioning

Currency of Flows



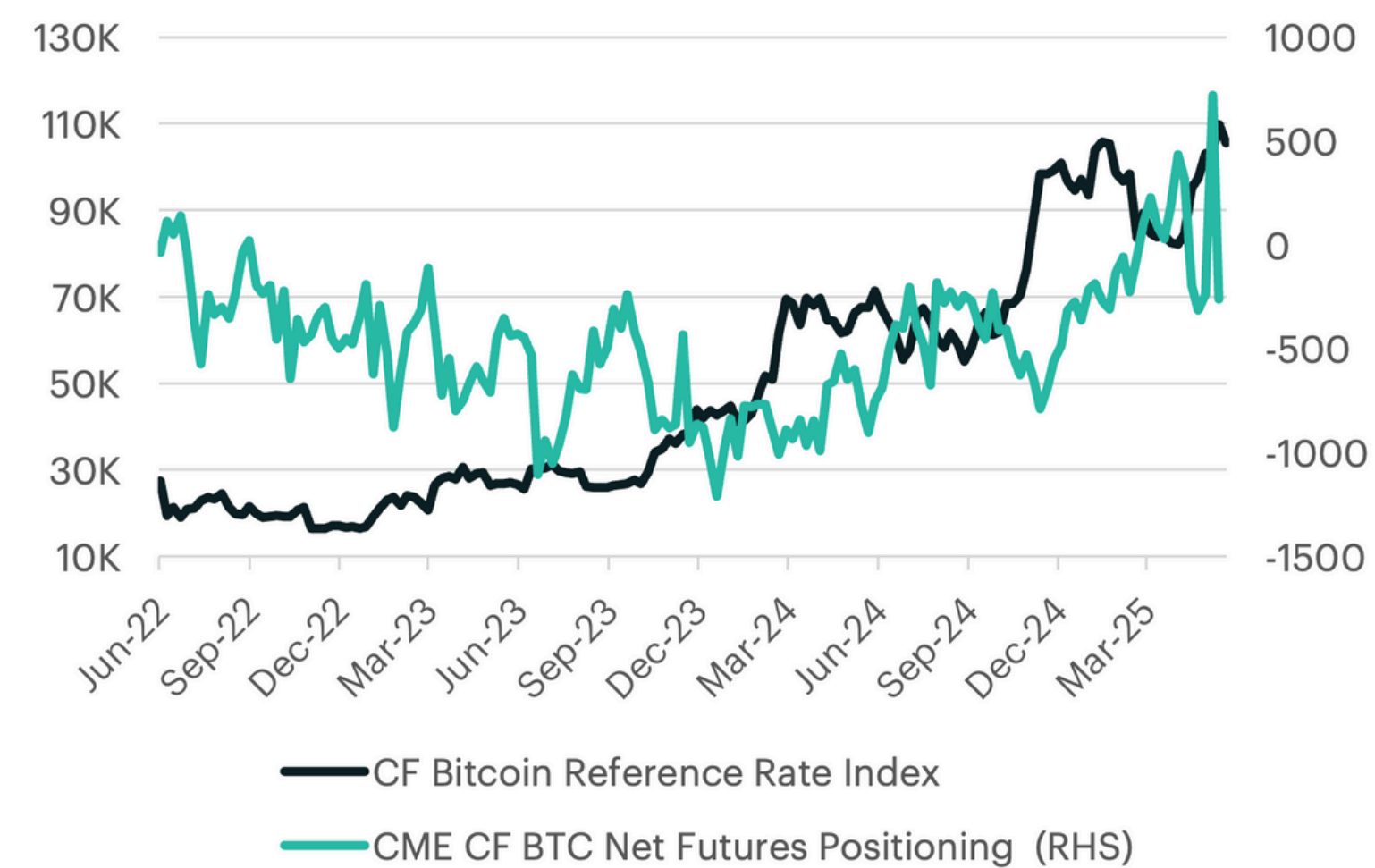
- May saw continued inflows into digital asset funds, with investors allocating approximately \$6.7 billion. Bitcoin accounted for \$5.7 billion of that total, while Ethereum attracted an impressive \$896 million.

Source: CF Benchmarks, Bloomberg, as of May 31, 2025

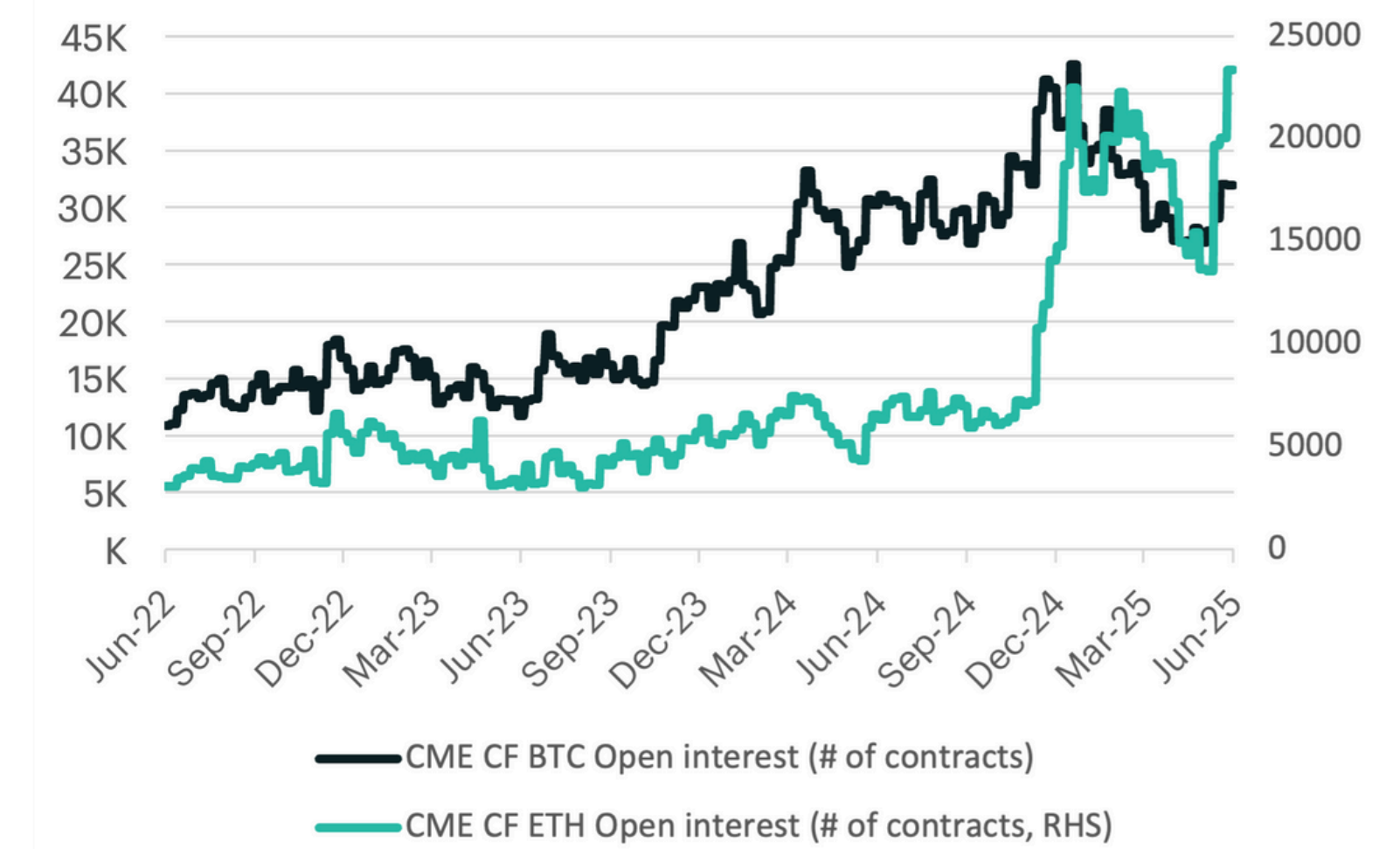


- From a regional perspective, fund inflows were concentrated in North America, which saw a net inflow of approximately \$8.3 billion. Meanwhile, Asia Pacific attracted capital for the first time in 2025, recording inflows of around \$145 million for the month.

Futures Positioning and Open Interest



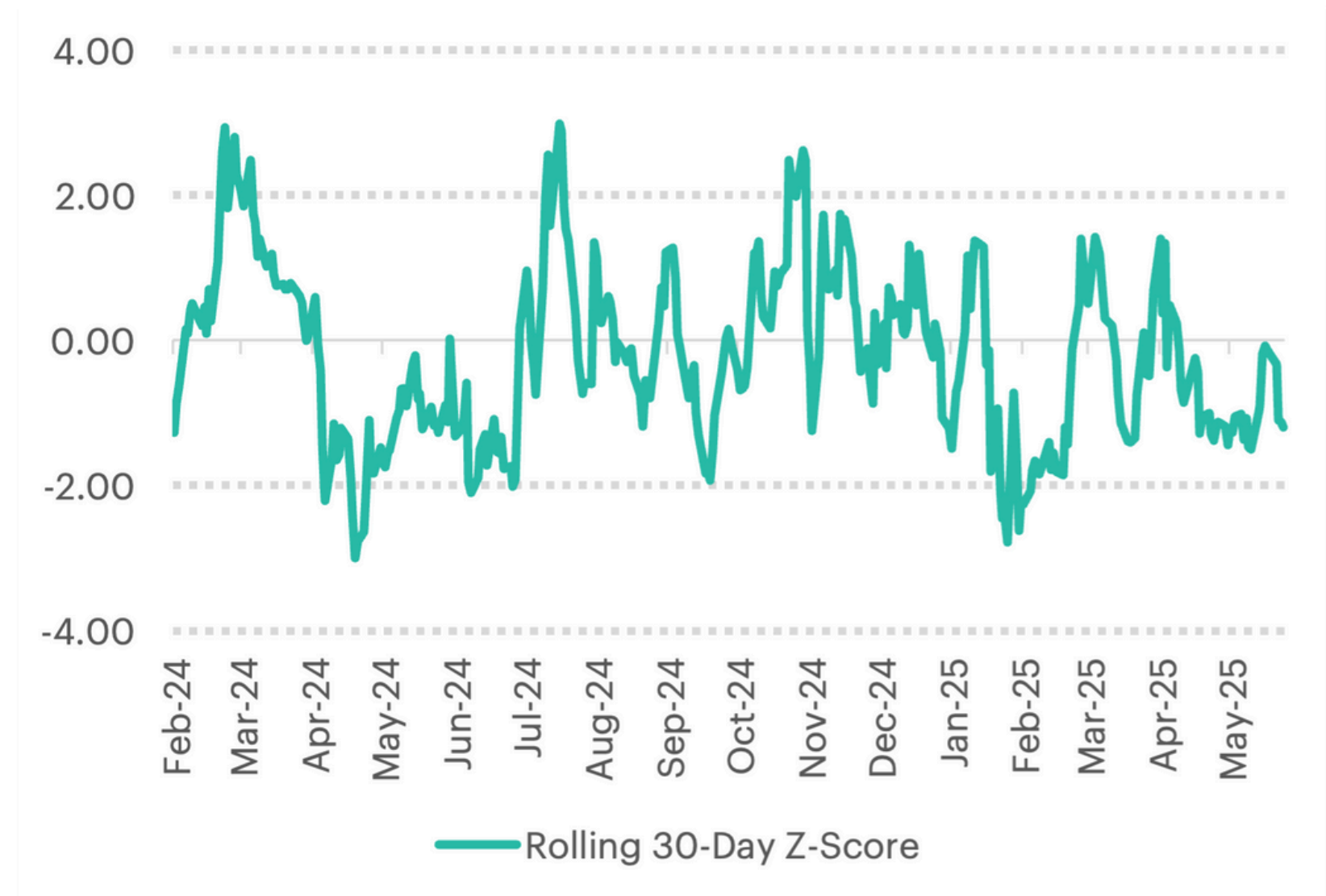
- Net sentiment positioning in Bitcoin declined in May, with short positions outpacing longs. As a result, net futures positioning on the CME fell to -475 contracts, down from -247.



- Total open interest in CME Ether futures increased sharply in May, rising 71.2% from the previous month and marking a new all-time high. Meanwhile, open interest in Bitcoin futures grew by 18.5% month over month.

Source: CF Benchmarks, CFTC, Bloomberg, as of May 31, 2025

CF Bitcoin Volatility Index (BVX)

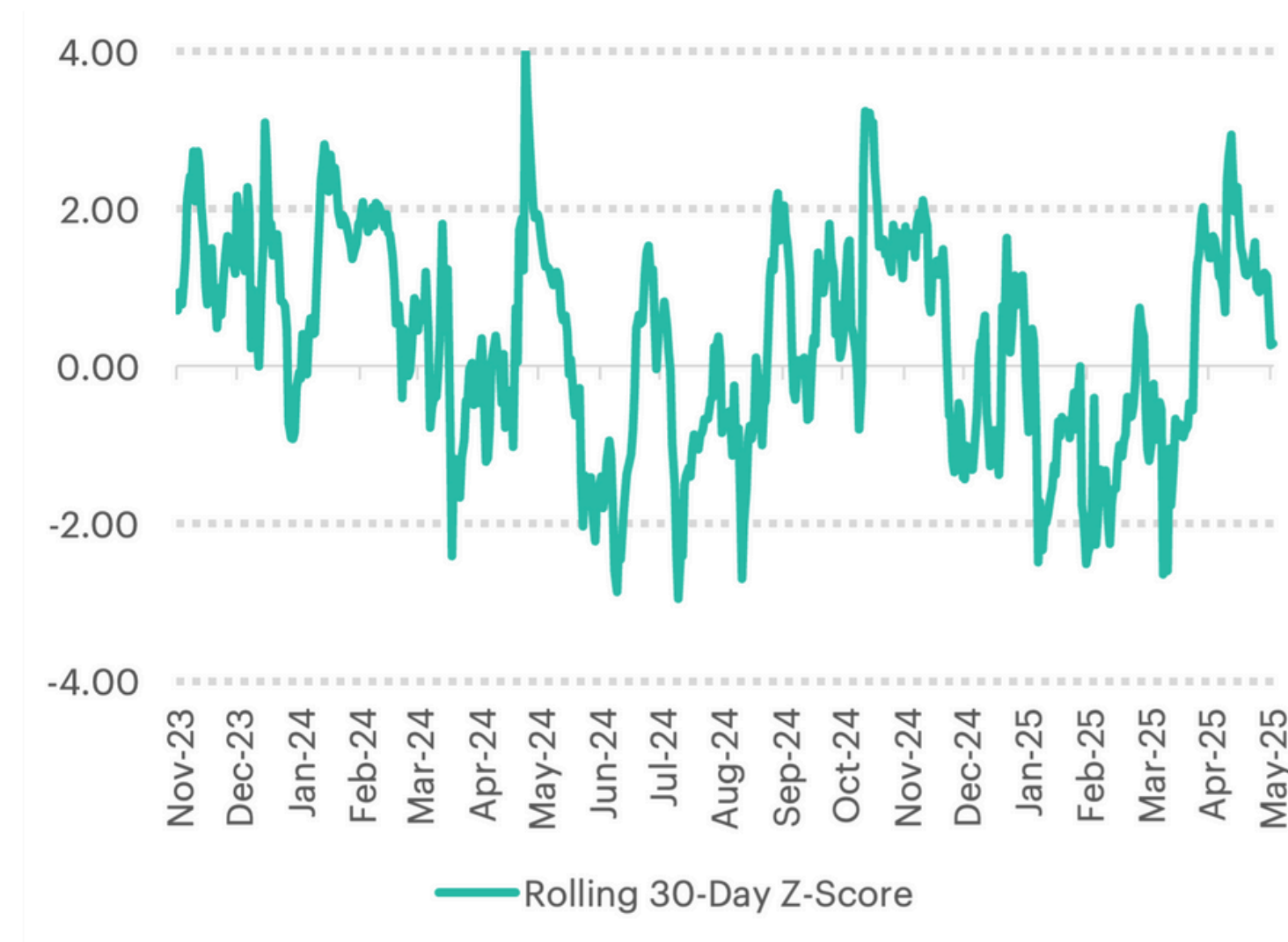
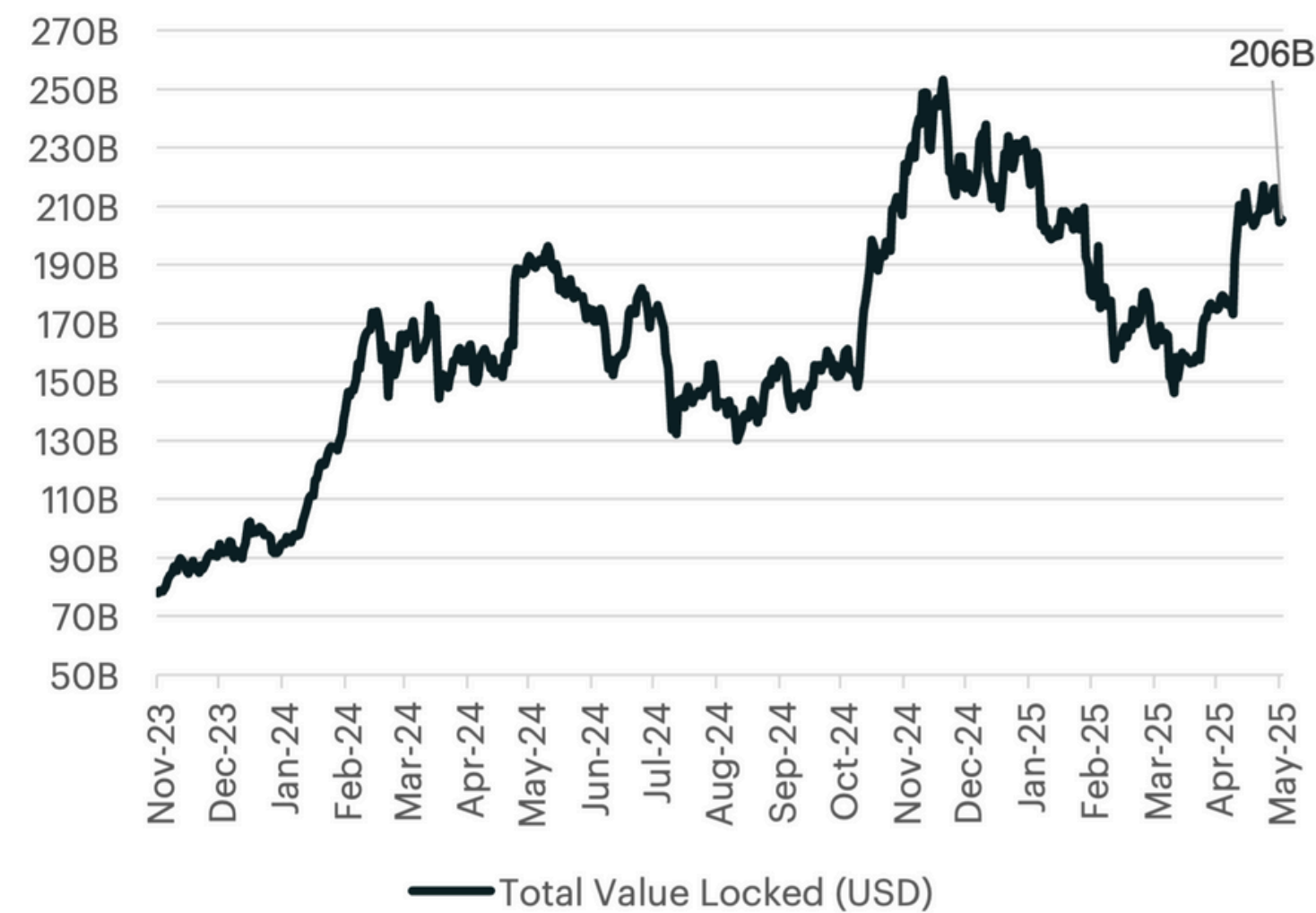


- The CF Bitcoin Volatility Index Settlement Rate (BVXS) is a once a day benchmark representing a forward looking, 30-day constant maturity measure of implied volatility based on CFTC regulated Bitcoin option contracts traded on the CME. The BVX represents the fair strike of a variance swap.
- Over the past month, the BVX fluctuated between a low of 43.1 and a high of 48.5. This period saw a significant decrease in volatility, with the index registering a -1.2 sigma move (as measured by our rolling 30-day z-score) near the end of the month.

Source: CF Benchmarks, Bloomberg, as of May 31, 2025

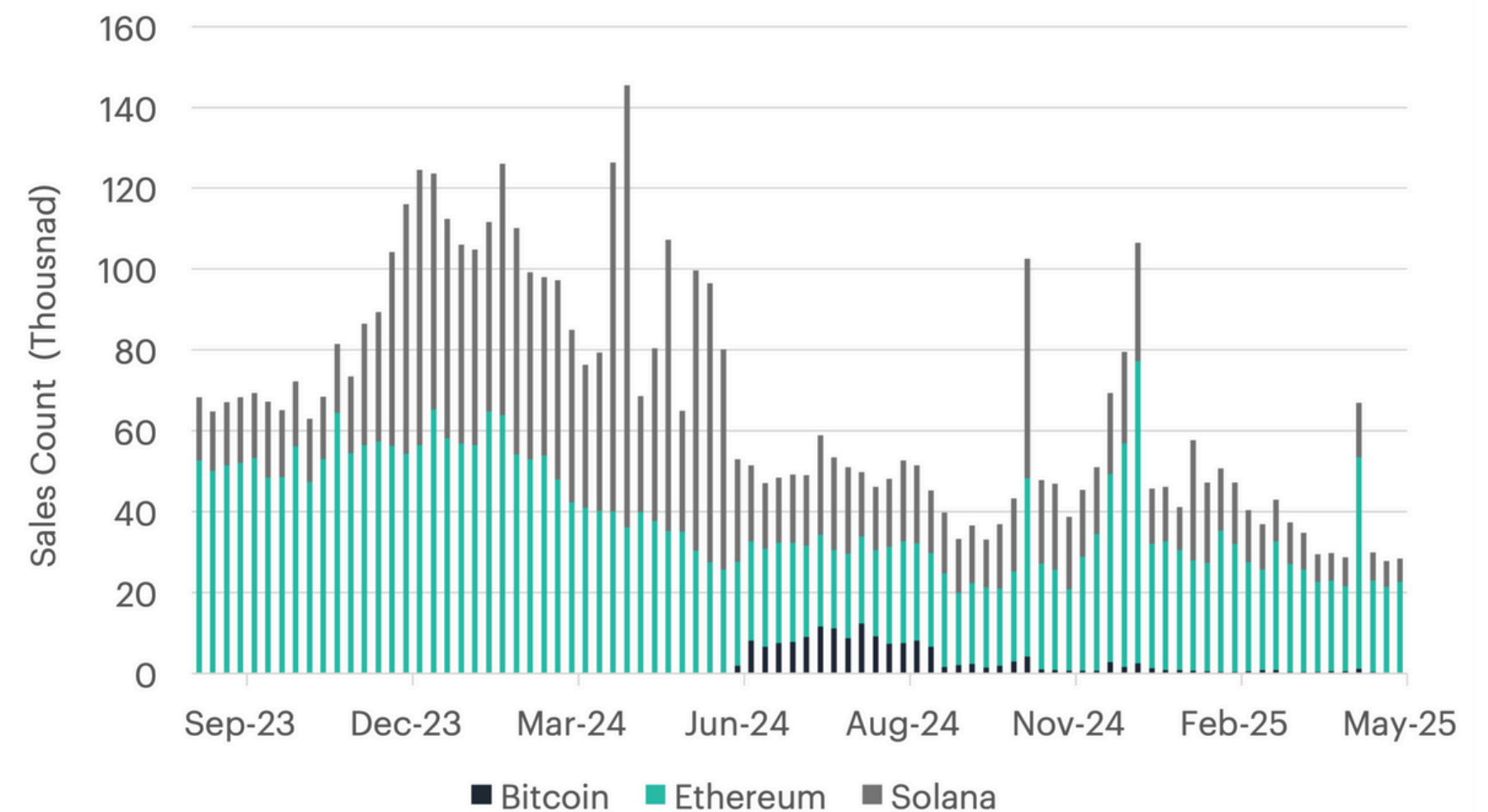
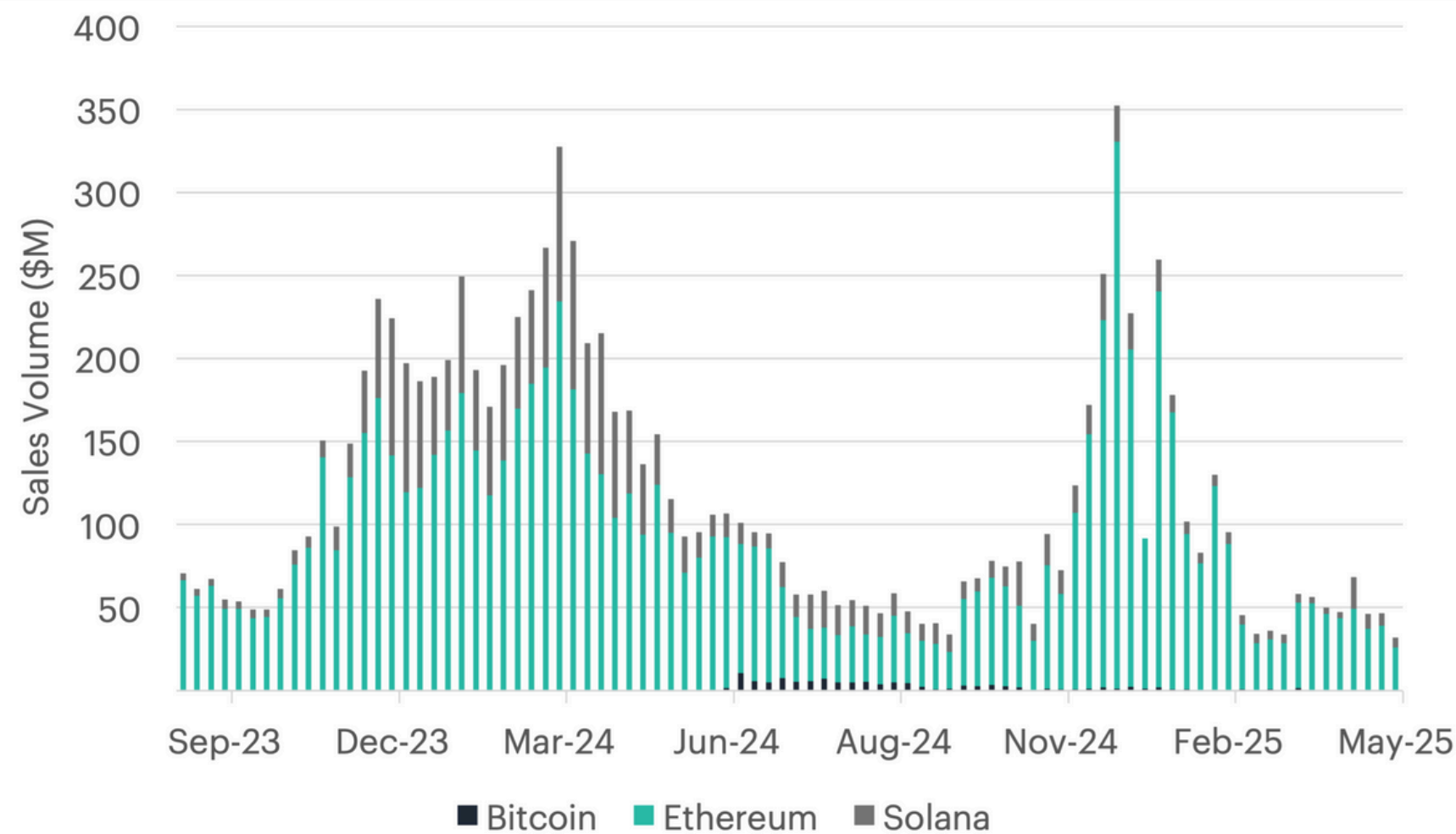
Network Fundamentals & Reward Rates

Total Value Locked (TVL) in DeFi Protocols



- TVL (Total Value Locked) in DeFi represents the total amount of assets deposited in decentralized finance protocols expressed in USD. It serves as a key metric to gauge the health and growth of the DeFi ecosystem.
- Over the past month, TVL in DeFi protocols grew by 17.8%, to approximately \$206 billion. This increase was largely driven by an increase in the value of tokens locked in liquid staking protocols on Ethereum.

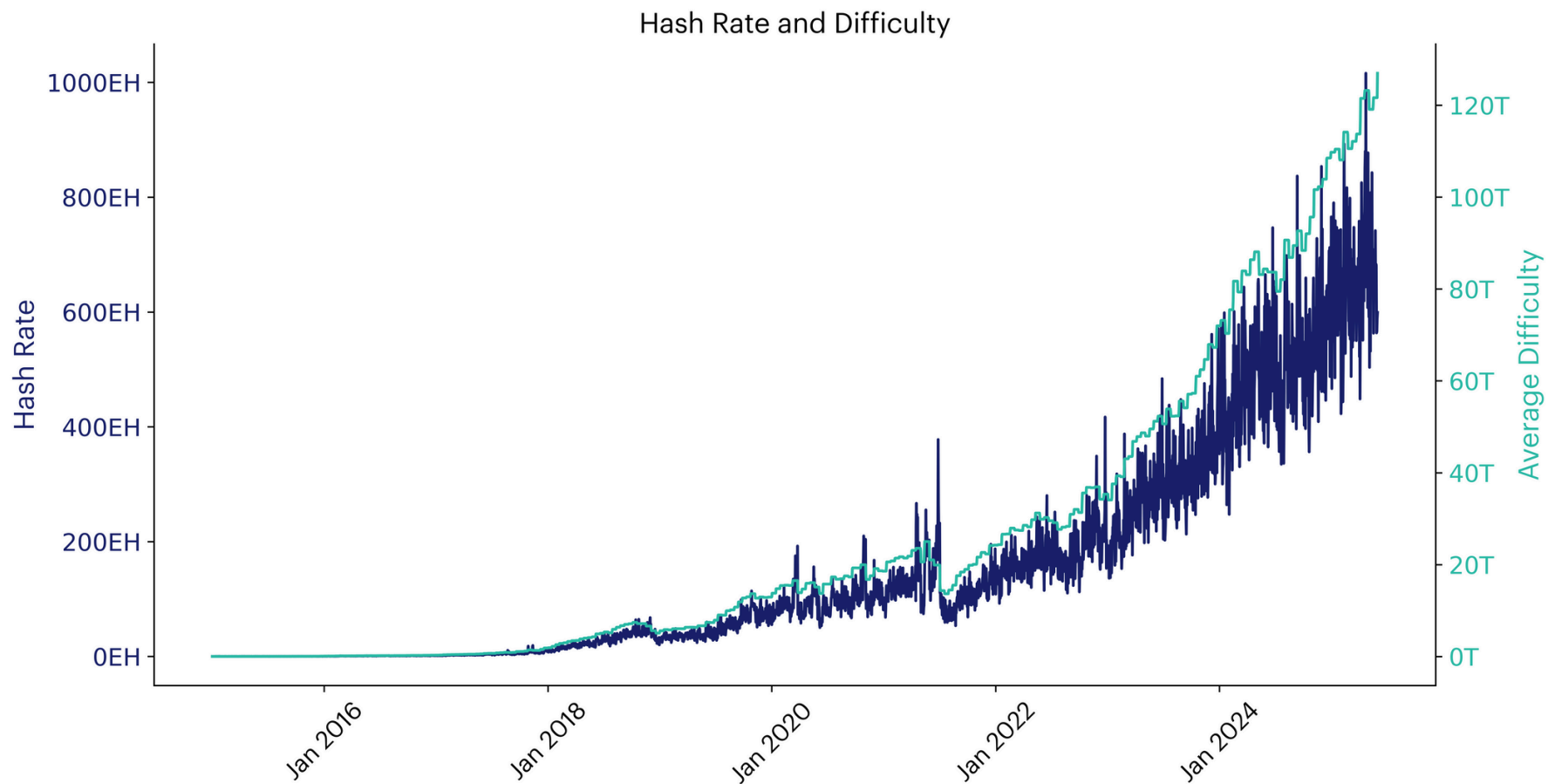
Weekly NFT Sales by Blockchain



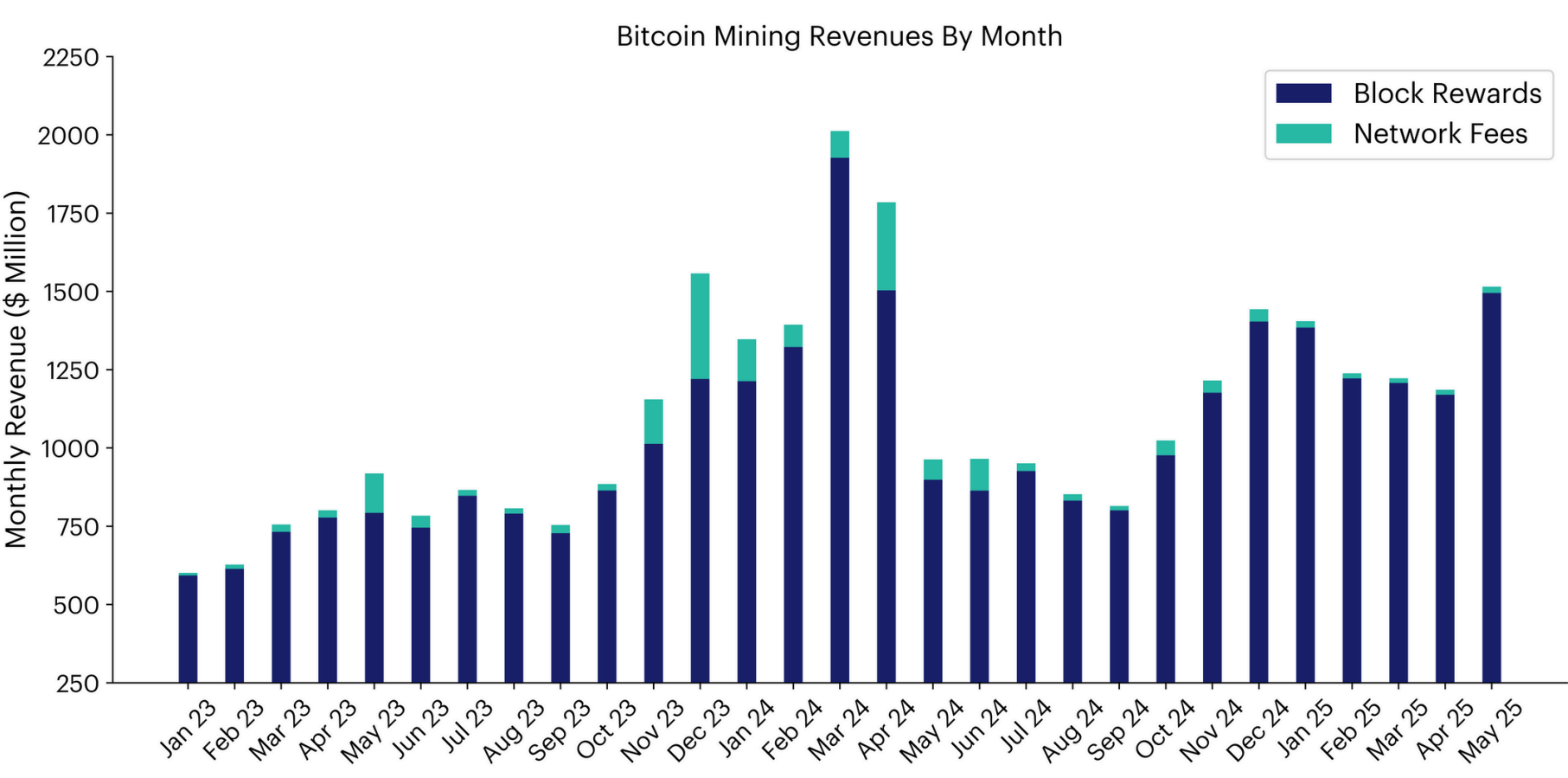
- In May, Ethereum retained its top position on the NFT sales volume leaderboard despite a 46.2% decline in volume. This drop occurred amid heightened market volatility, which also contributed to a 44.1% decrease in transaction count.
- The Solana network experienced a more modest decline, with sales volume falling 5.9% despite a 27.9% reduction in transactions. Meanwhile, Bitcoin's NFT sales volume plummeted by 74.6%, accompanied by a 60.5% decrease in transaction count.

Mining Metrics

Bitcoin's Hash Rate & Mining Revenue

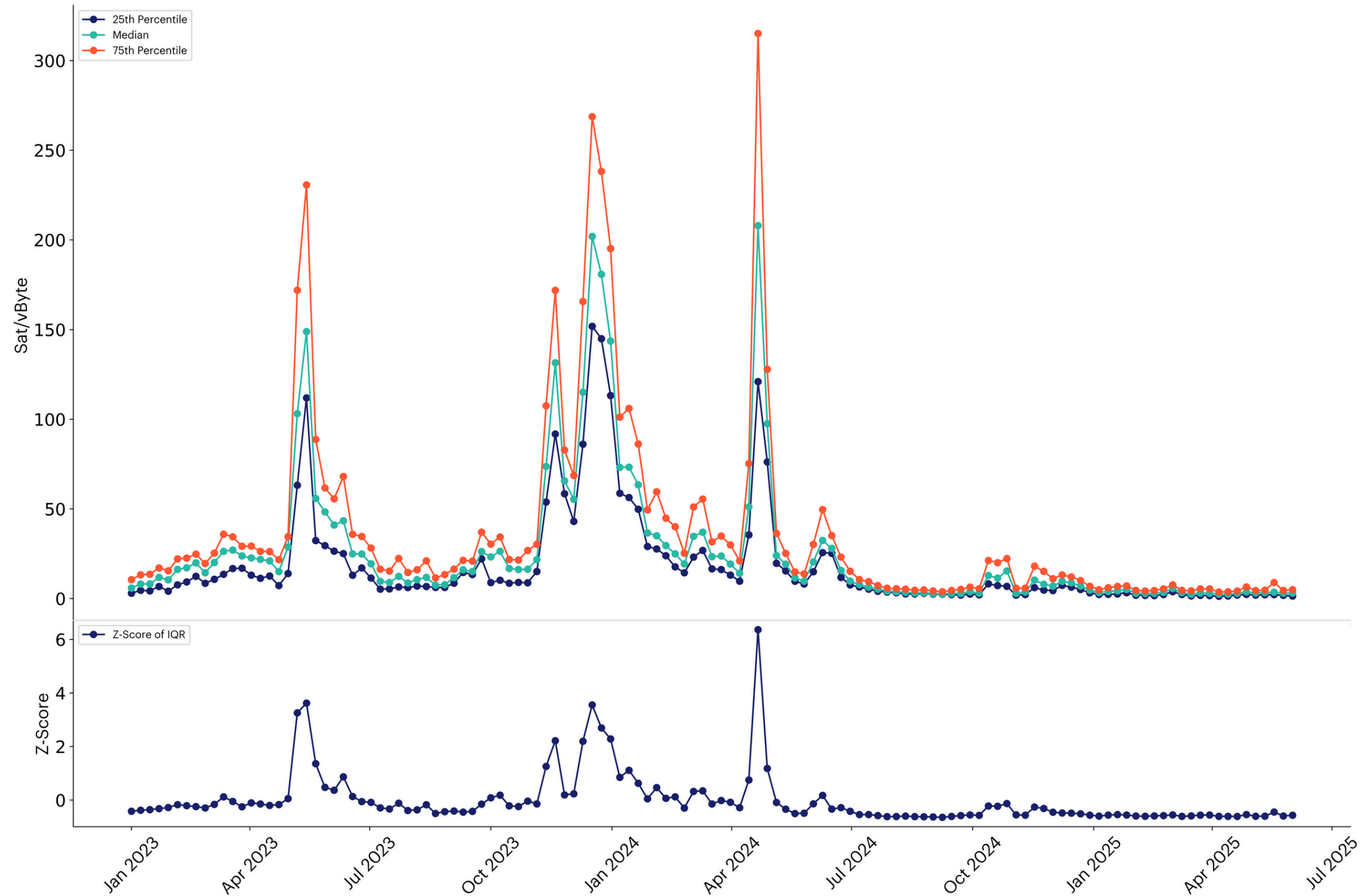


- Bitcoin's average monthly hash rate grew in May, increasing by 1.6% to 722 exahashes per second. Mining difficulty, which measures the computational effort required to mine a new block and adjusts to maintain consistent block creation times, increased by 3.0% over the month. The next difficulty adjustment is expected in the second week of June and is currently trending toward a 5.4% decrease.



- Bitcoin miners saw a 27.7% increase in mining revenue in May. Of the total rewards earned during the month, 1.3% came from transaction fees, staying flat from 1.3% in April. The growth in revenue was driven entirely by Bitcoin's price appreciation during the month.

Bitcoin Network Fees



- As Bitcoin's block subsidy decreases, network fees make up a larger share of miners' revenue. The behavior of these fees, especially during periods of high demand for block space, can provide insights into the sustainability of fee increases.
- The data shows that during periods of high demand, the 75th percentile transaction fees surge significantly higher than the median and 25th percentile fees, indicating a subset of transactions paying much higher fees to ensure prompt inclusion in blocks.
- When the Z-score of the interquartile range exceeds 2, it signals substantial increases in the 75th percentile relative to the 25th percentile, highlighting times of significant network congestion and temporarily elevated fees.

Source: CF Benchmarks, Dune Analytics, as of May 31, 2025

Bitcoin Mining Matrix



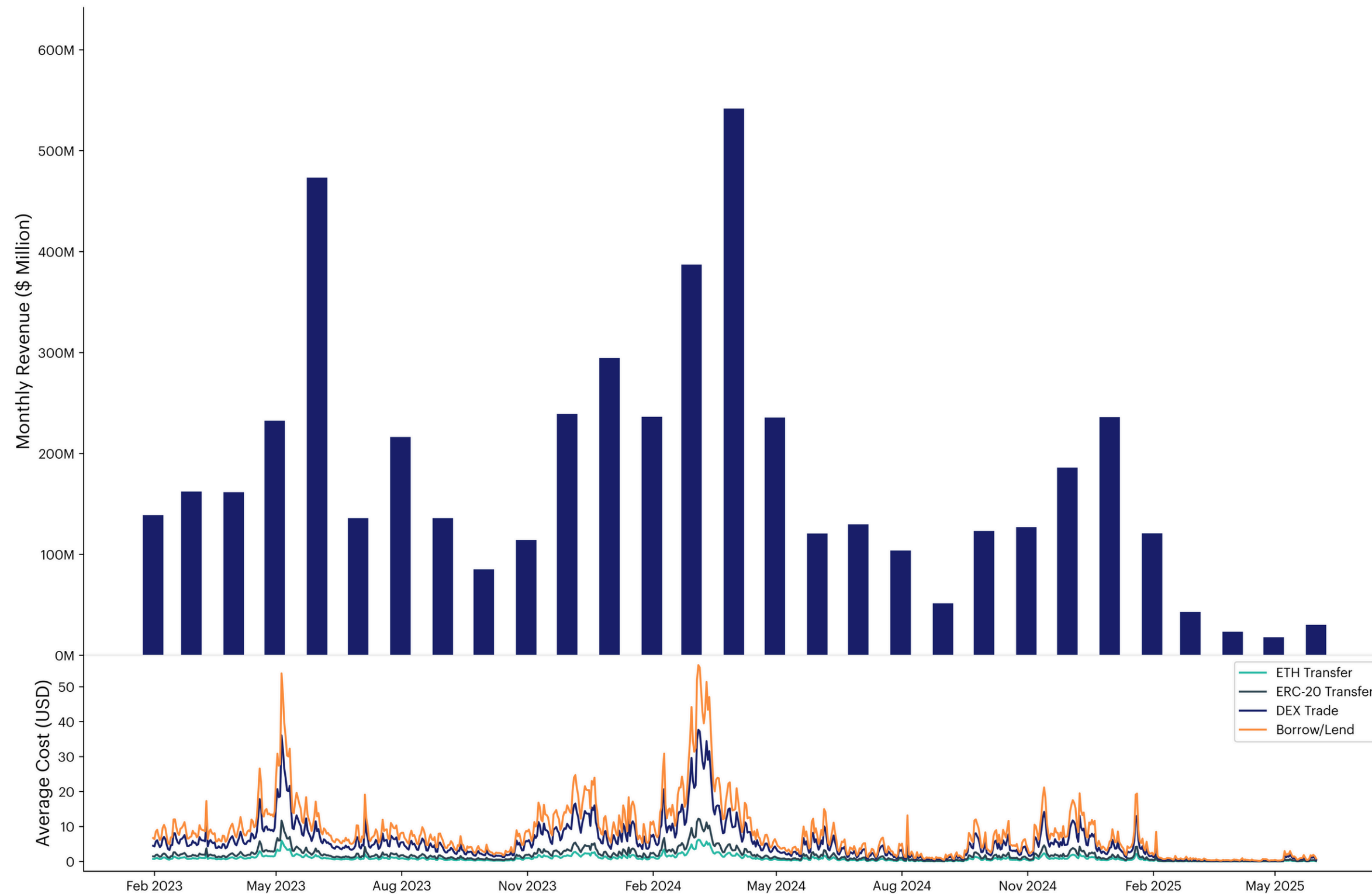
| | | Bitcoin Price (USD) | | | | | | | | |
|------------------------|------|---------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Efficiency (Watts /TH) | | \$85,314.30 | \$89,804.53 | \$94,531.08 | \$99,506.40 | \$104,743.58 | \$109,980.76 | \$115,479.80 | \$121,253.79 | \$127,316.48 |
| | 34.0 | \$52.20 | \$54.95 | \$57.84 | \$60.89 | \$64.09 | \$67.29 | \$70.66 | \$74.19 | \$77.90 |
| | 29.5 | \$60.16 | \$63.33 | \$66.66 | \$70.17 | \$73.87 | \$77.56 | \$81.44 | \$85.51 | \$89.79 |
| | 24.0 | \$73.95 | \$77.84 | \$81.94 | \$86.25 | \$90.79 | \$95.33 | \$100.10 | \$105.11 | \$110.36 |
| | 21.5 | \$82.55 | \$86.90 | \$91.47 | \$96.28 | \$101.35 | \$106.42 | \$111.74 | \$117.33 | \$123.19 |
| | 18.5 | \$95.94 | \$100.99 | \$106.30 | \$111.90 | \$117.79 | \$123.68 | \$129.86 | \$136.35 | \$143.17 |
| | 17.5 | \$101.42 | \$106.76 | \$112.38 | \$118.29 | \$124.52 | \$130.74 | \$137.28 | \$144.14 | \$151.35 |
| | 15.0 | \$118.32 | \$124.55 | \$131.11 | \$138.01 | \$145.27 | \$152.53 | \$160.16 | \$168.17 | \$176.58 |
| | 13.5 | \$131.47 | \$138.39 | \$145.67 | \$153.34 | \$161.41 | \$169.48 | \$177.96 | \$186.85 | \$196.20 |

- The following sensitivity table illustrates the revenue a miner will generate per megawatt hour consumed at the current difficulty, considering different levels of miner efficiency and varying Bitcoin prices, providing a comprehensive view of potential earnings under different market conditions. The table is color-coded to reflect profitability based on the 10th percentile industrial electricity rate in the United States of \$66.10 per MWh, as reported by the EIA in March 2025.
- This table helps miners compare revenues under various operational conditions, aiding in evaluating the useful life of their equipment. By comparing projected revenues at different Bitcoin prices to electricity costs, miners can determine whether they can continue running their current fleet or if they need to upgrade to maintain profitability.
- As income per MWh increases, miners are more likely to fund additional capital expenditures, which can increase the overall network hashrate. However, this increase in hashrate can subsequently reduce the income each individual miner earns.

Source: CF Benchmarks, Luxor, as of May 31, 2025
EIA.gov as of March 31, 2025

Network & On-chain Updates

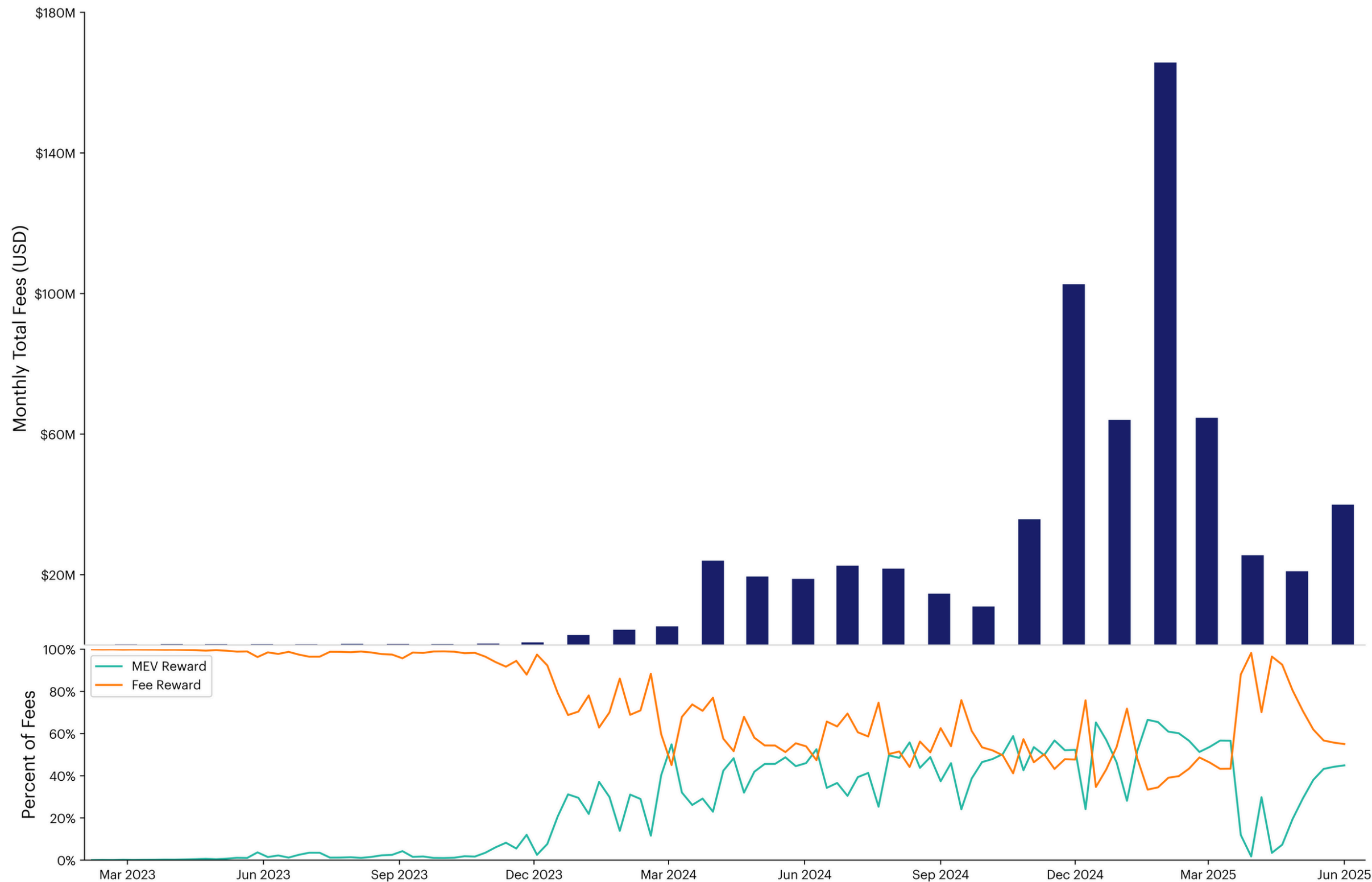
Ethereum Network Fees & Revenue



Source: CF Benchmarks, Dune Analytics as of May 31, 2025

- Ethereum's block space is the capacity to include transactions in each block. When more transactions are posted to the blockchain than can be processed, fee rates increase as users compete to have their transactions included in the next block.
- By comparing average fee rates to total fee revenue, we can evaluate Ethereum's scalability. If fee rates remain low while total revenue remains stable or increases, it indicates effective scaling.
- In May, total fees paid on the Ethereum network increased by 68.5% compared to the previous month, reaching \$30.2 million. While overall fees rose, a 69.5% increase in the average fee per interaction suggests that transaction demand slightly outpaced available block space.

Solana Network Fees & Revenue



Source: CF Benchmarks, Dune Analytics as of May 31, 2025

- Solana’s block space is the capacity to include transactions in each block. When more transactions are posted to the blockchain than can be processed, fee rates increase as users compete to have their transactions included in the next block.
- By analyzing the percentage of fees derived from MEV (Maximum Extractable Value) versus base fees, we can gauge the health of Solana's fee market. A higher proportion of MEV fees may indicate increasing competition and demand for block space.
- In May, total fees paid on the Solana network grew by 90.1% from the previous month, reaching \$39.9 million. MEV accounted for approximately 41.5% of total fees, reflecting increased demand for block space amid rising network activity.

Staking Rewards & Inflation Rates



| Network | Staking Reward Rate | Inflation Rate | Participation Rate | Real Reward Rate |
|-------------------------------------|------------------------|------------------------|-------------------------|------------------------|
| Ethereum <i>(1-Month Change)</i> | 2.89% <i>0.17%</i> | 0.74% <i>0.00%</i> | 28.01% <i>-0.26%</i> | 2.16% <i>0.18%</i> |
| Solana <i>(1-Month Change)</i> | 6.68% <i>-0.15%</i> | 5.17% <i>-0.13%</i> | 65.70% <i>0.68%</i> | 1.51% <i>-0.02%</i> |
| Cardano <i>(1-Month Change)</i> | 2.53% <i>-0.06%</i> | 1.90% <i>-0.08%</i> | 60.67% <i>0.02%</i> | 0.62% <i>0.03%</i> |

- The reward rate for a Proof of Stake (PoS) blockchain represents the annual return validators earn for staking their tokens, often expressed as a percentage. This rate is determined by factors such as the total number of staked tokens, the network's overall staking yield, and any additional incentives provided by the blockchain protocol.
- Inflation rate and staking participation rate significantly influence real staking rewards. A higher inflation rate typically increases the nominal reward rate but can dilute the value of staked tokens, resulting in lower real returns. The staking participation rate, which is the proportion of tokens being staked, also impacts rewards: as more tokens are staked, the rewards per validator may decrease, potentially lowering individual returns but contributing to network security and decentralization.

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.

CF Digital Asset Classification Structure



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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