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February 2025

Monthly Market Recap

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Market Performance

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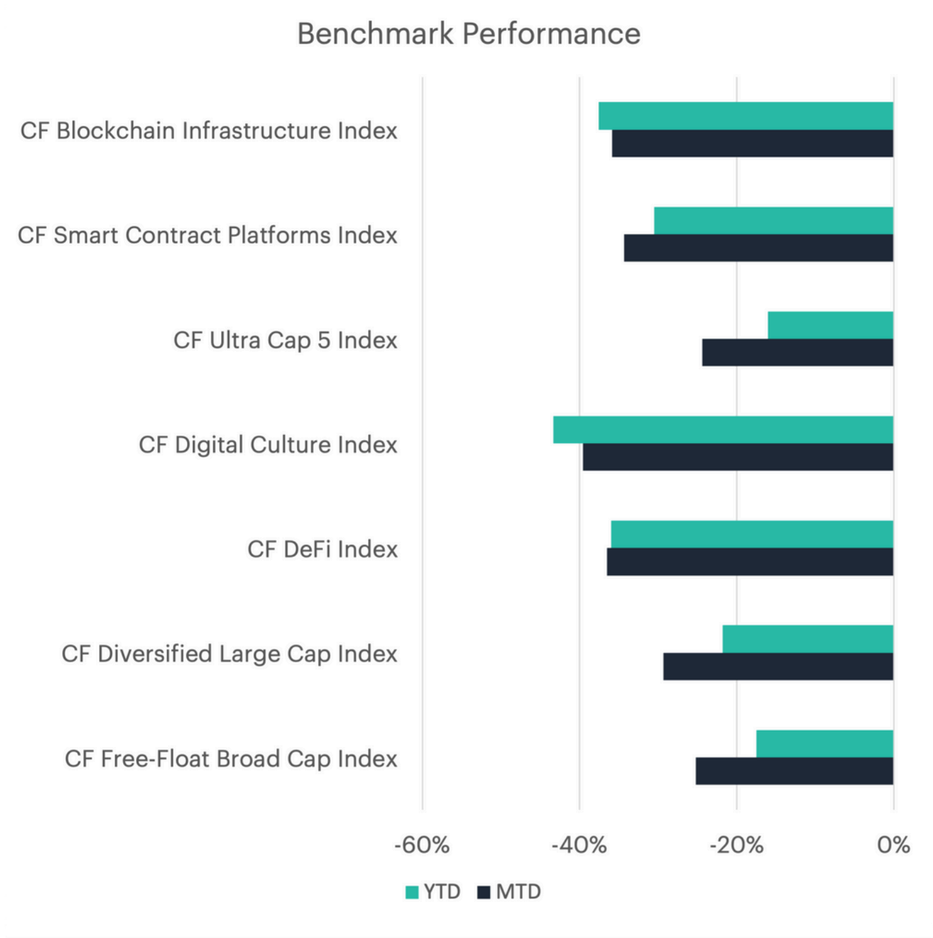
Digital Assets Decline Despite Regulatory Thaw



All index performance is rebased to 100.
Source: CF Benchmarks, Bloomberg, as of February 28, 2025

Market Summary

Risk-off sentiment permeated through digital asset price action with the CME CF Bitcoin Real Time Index (BRTI) briefly breaking below $80,000 as macro uncertainty and fading hopes for monetary easing rattled investor optimism. The expectation of the Federal Reserve foregoing future rate cuts in lieu of fighting stubborn inflation pressures and a $1.5 billion ByBit hack added to the turmoil. However, some positive developments are worth taking note of: the SEC has begun to drop lawsuits against many industry players, signaling another regulatory shift. In a big move for institutional investors, CME Group confirmed Solana (SOL) futures will launch March 17, expanding the list of regulated crypto derivatives on digital assets.

This broad sell-off reflected increased macroeconomic uncertainty, persistent ETF outflows that continue to pressure markets, and a notable decline in investor risk appetite across both traditional and digital asset classes. The CF Digital Culture Index led declines, dropping 39.55%, followed by the CF DeFi Index, which fell 36.51%. The CF Smart Contract Platforms Index also struggled, losing 34.36%. Meanwhile, the CF Ultra Cap 5 Index showed relative resilience, declining 24.40%, while the CF Blockchain Infrastructure Index dropped 35.87%.

Gabe Selby, CFA
Head of Research

Mark Pilipczuk
Research Analyst

Major Crypto-Pairs

Name	Category	Sub-Category	Segment	1 Month	3 Month	1 Year	30 D Volatiltity
Maker	Sectors	Finance	Stablecoin Issuance & Management	37.9%	-14.7%	-24.2%	106.42
Fantom	Settlement	Programmable	General Purpose Smart Contract Platforms	20.0%	-36.7%	44.0%	146.75
Litecoin	Settlement	Non-Programmable	Store Of Value And Payment	-0.2%	24.2%	58.8%	83.26
Bitcoin	Settlement	Non-Programmable	Store Of Value And Payment	-17.5%	-13.0%	37.1%	38.35
Bitcoin Cash	Settlement	Non-Programmable	Store Of Value And Payment	-25.3%	-39.7%	5.7%	63.60
Polkadot	Settlement	Programmable	General Purpose Smart Contract Platforms	-25.9%	-48.2%	-43.4%	80.97
Ethereum Classic	Settlement	Programmable	General Purpose Smart Contract Platforms	-27.4%	-40.6%	-32.8%	68.88
EOS	Settlement	Programmable	General Purpose Smart Contract Platforms	-28.4%	-40.3%	-34.8%	79.89
Cosmos	Settlement	Programmable	General Purpose Smart Contract Platforms	-29.1%	-47.9%	-62.0%	128.43
Ripple	Settlement	Non-Programmable	Store of Value and Payment	-29.2%	11.8%	261.4%	71.81
Internet Computer	Settlement	Programmable	General Purpose Smart Contract Platforms	-29.8%	-47.7%	-48.3%	73.12
Hedera	Settlement	Programmable	General Purpose Smart Contract Platforms	-30.4%	25.2%	86.2%	73.39
Stellar	Settlement	Non-Programmable	Store Of Value And Payment	-30.9%	-45.5%	134.2%	69.28
Tezos	Settlement	Programmable	General Purpose Smart Contract Platforms	-30.9%	-44.9%	-37.2%	82.38
Chiliz	Sectors	Culture	Social	-32.4%	-49.0%	-65.5%	100.63
Filecoin	Services	Utility	Information & Data Management	-32.5%	-54.1%	-60.1%	89.66
Ether	Settlement	Programmable	General Purpose Smart Contract Platforms	-33.0%	-40.3%	-33.6%	61.57
Polygon	Services	Infrastructure	Scaling	-33.1%	-55.2%	-73.1%	70.07
Cardano	Settlement	Programmable	General Purpose Smart Contract Platforms	-33.4%	-42.2%	-4.8%	86.28
Decentraland	Sectors	Culture	Vr And Ar	-33.9%	-54.5%	-54.7%	74.36
Avalanche	Settlement	Programmable	General Purpose Smart Contract Platforms	-35.0%	-50.1%	-45.4%	79.83
Apecoin	Sectors	Culture	Social	-35.5%	-57.8%	-67.4%	84.31
Solana	Settlement	Programmable	General Purpose Smart Contract Platforms	-35.8%	-39.6%	15.6%	71.87
Uniswap	Sectors	Finance	Trading	-37.0%	-42.3%	-34.1%	94.35
Algorand	Settlement	Programmable	General Purpose Smart Contract Platforms	-37.2%	-46.5%	12.3%	79.52
Stacks	Services	Infrastructure	Computing	-37.5%	-64.6%	-71.3%	97.10
Dogecoin	Settlement	Non-Programmable	Store Of Value And Payment	-38.4%	-52.9%	67.5%	78.83
Chainlink	Services	Utility	Oracles	-40.9%	-23.3%	-23.9%	78.92
Aave	Sectors	Finance	Borrowing & Lending	-42.2%	-9.4%	81.7%	92.22
Curve DAO Token	Sectors	Finance	Trading	-42.3%	-33.9%	-26.0%	105.00
Synthetix	Sectors	Finance	Derivatives	-44.4%	-13.5%	-28.6%	162.76

Leaders

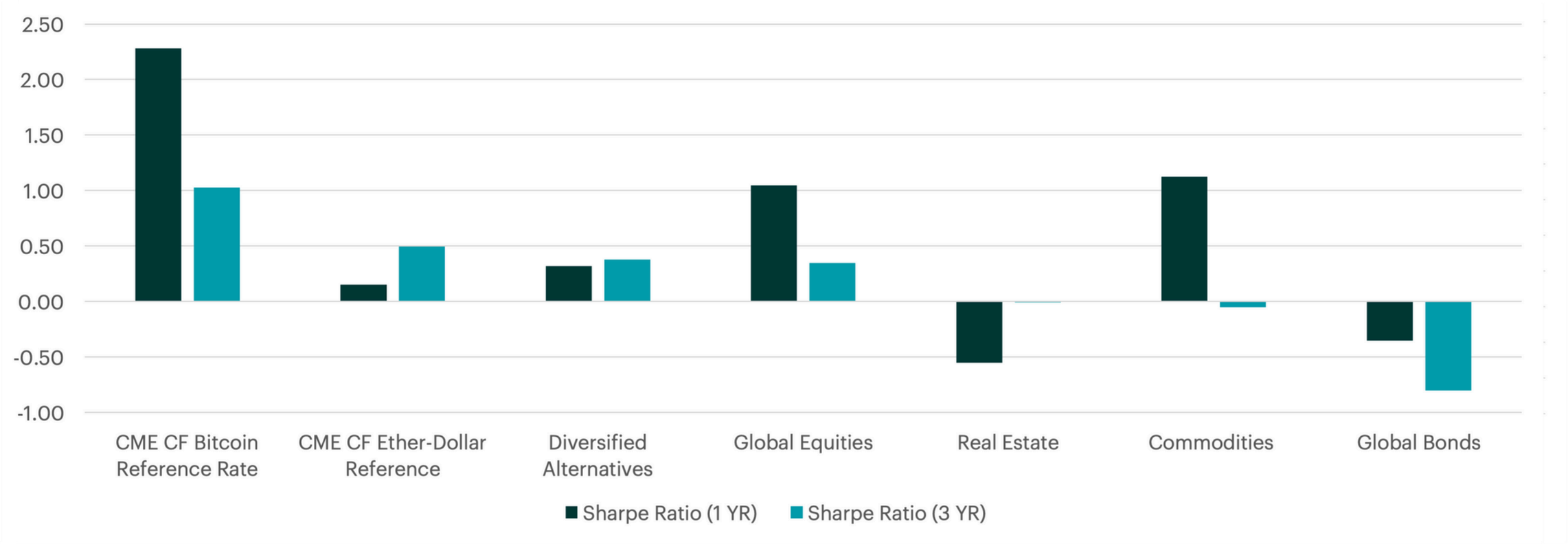
Sky (formerly Maker) and Sonic (formerly Fantom) outperformed the market through strategic developments. Sky's massive $156M token burn mechanism reduced supply, boosting MKR prices (+37.9%). Simultaneously, Sonic Labs' implementation of USDT bridging from Ethereum significantly increased TVL and on-chain activity across the Sonic ecosystem.

Laggards

Synthetix (-44.4%) and Curve DAO Token (-42.3%) emerged as the month's worst performers as investors continued to shift away from small-cap tokens following weak investor sentiment.

Source: Returns are based in USD terms, CF Benchmarks, Bloomberg, as of February 28, 2025

Trailing Risk-Adjusted Returns



- When compared to traditional asset classes, both Bitcoin and Ether have delivered above average risk-adjusted performance over longer time horizons.

Source: CF Benchmarks, Bloomberg, total return indices are referenced in USD, as of February 28, 2025

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Investor Activity & Sentiment Positioning

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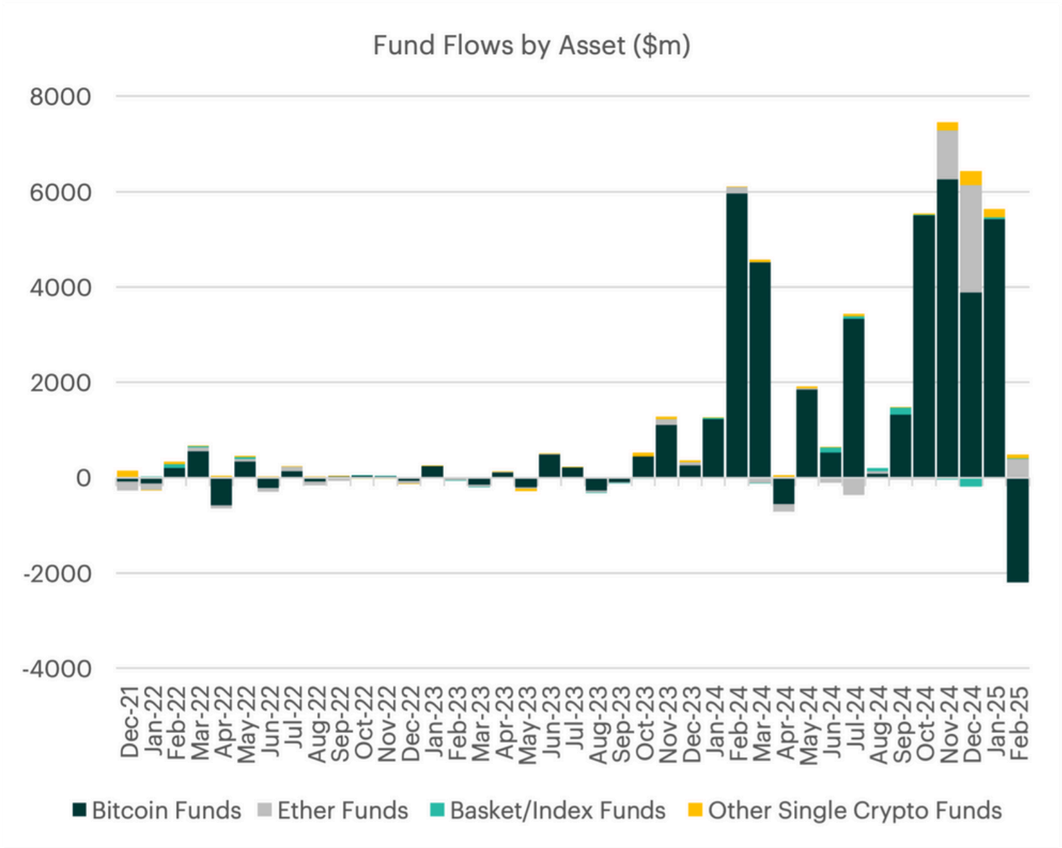
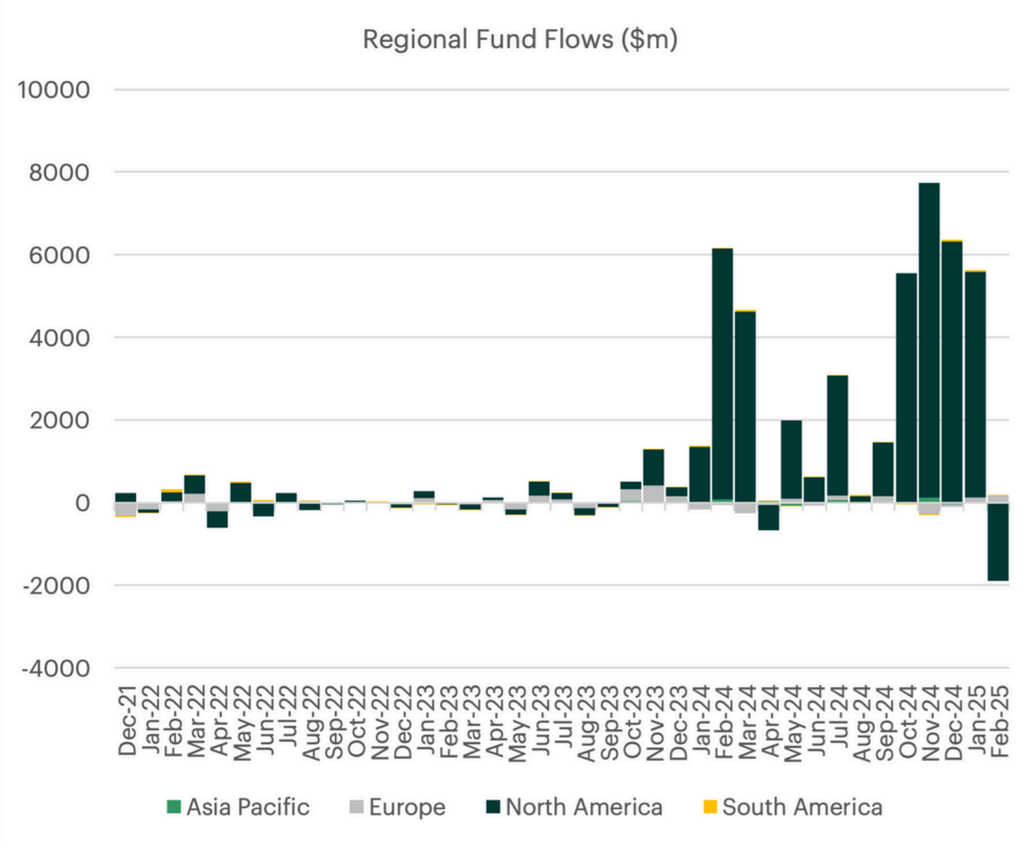
Currency of Flows



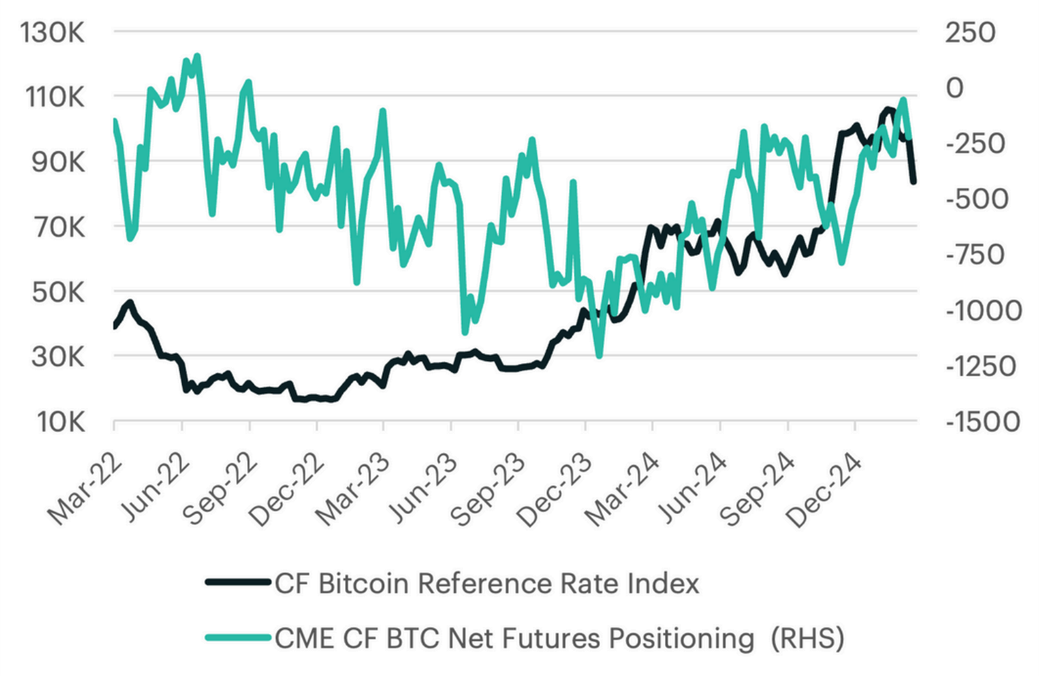


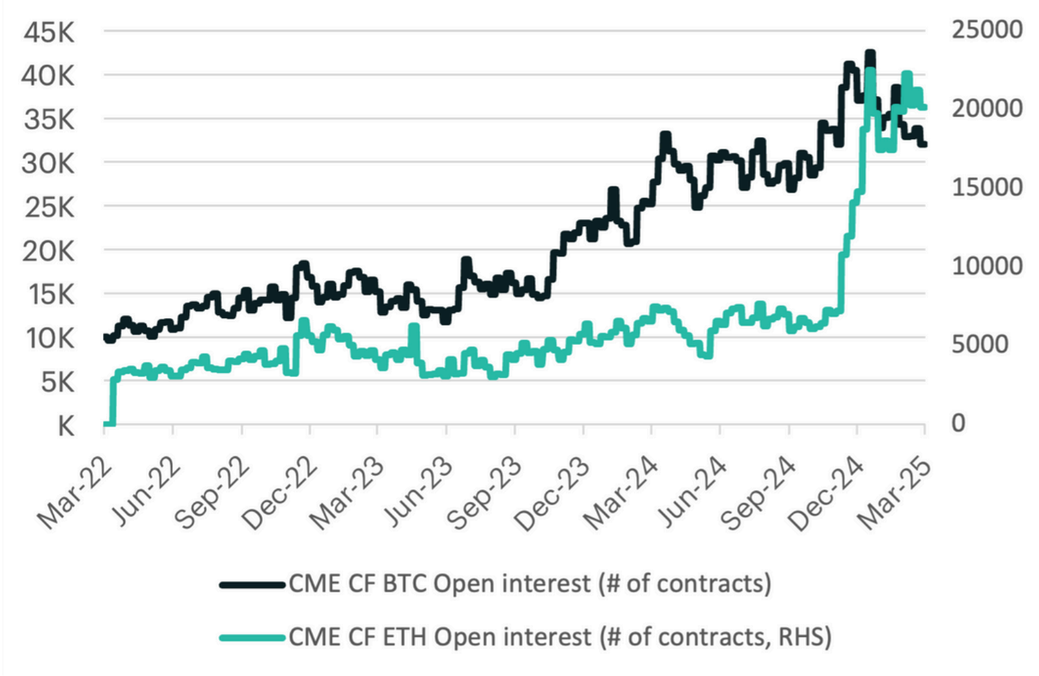
- February marked the first month of outflows from digital asset funds after nine consecutive months of inflows, with investors redeeming $1.7 billion. Bitcoin accounted for the majority of the outflows, totaling nearly $2.2 billion, while Ether saw inflows of $387 million.

- From a regional perspective, fund outflows were concentrated in North America (-$1.9 billion), while Europe recorded inflows of $169 million.

Source: CF Benchmarks, Bloomberg, as of February 28, 2025

Futures Positioning and Open Interest



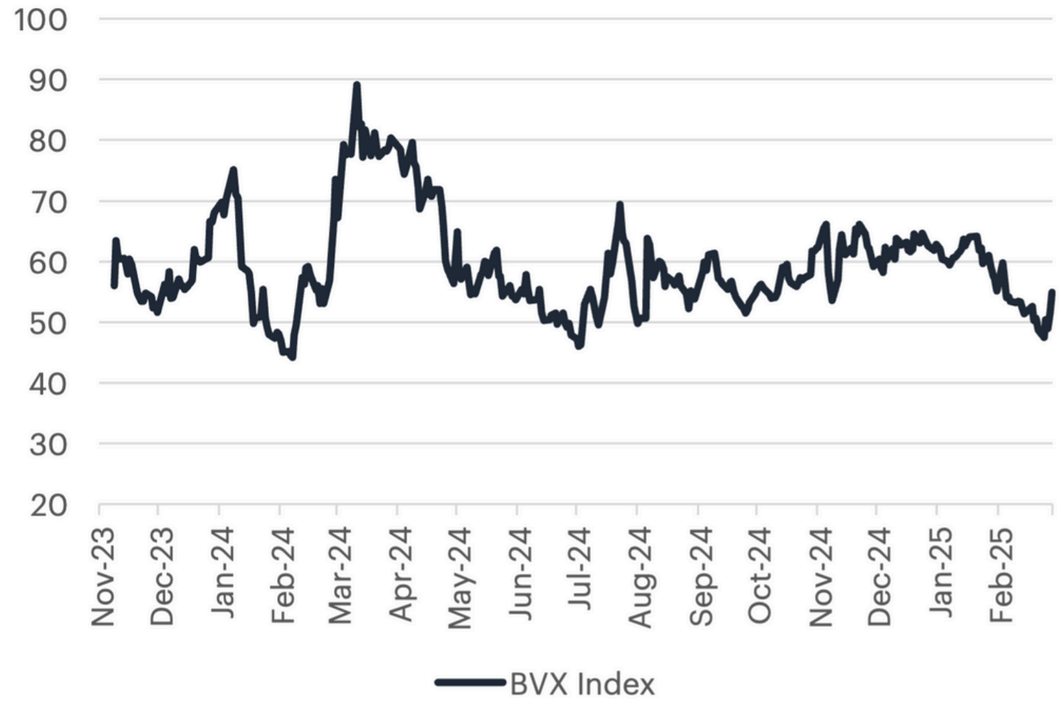


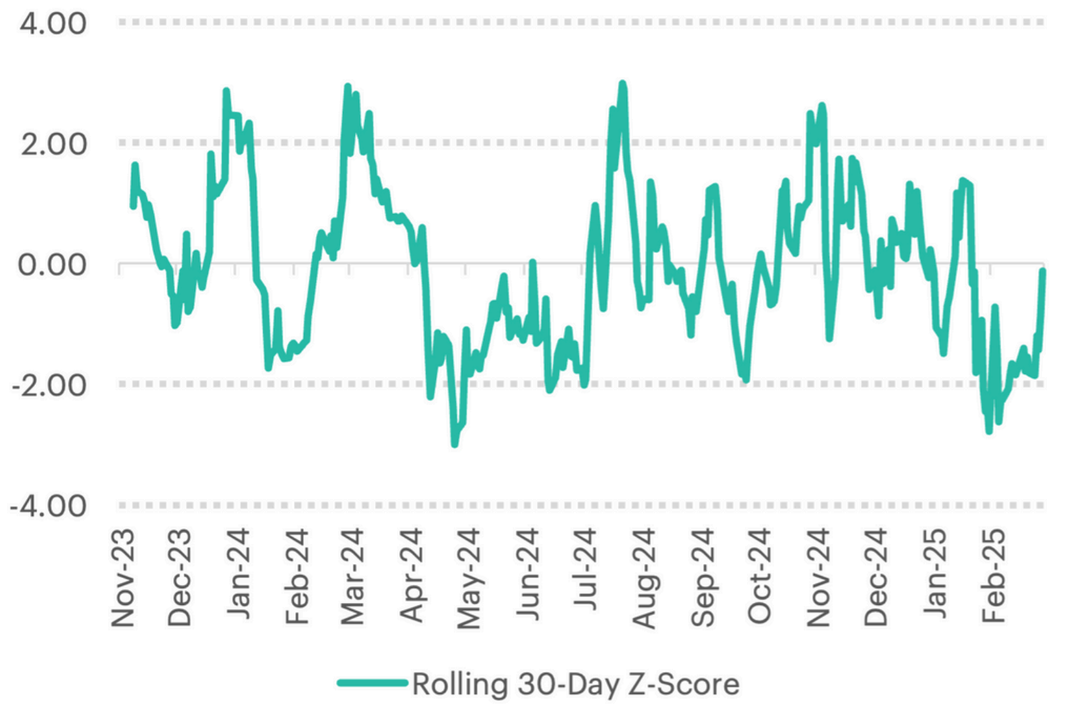
- Net sentiment positioning in Bitcoin improved in February, with long positions outpacing shorts. As a result, net futures positioning on the CME rose to -115 contracts from -176.

- Total open interest in CME Ether futures continued to grow in February, rising nearly 1.2% from the previous month and reaching a new all-time high. Meanwhile, Bitcoin futures open interest declined slightly, ending the month with a modest decrease of -6.6%.

Source: CF Benchmarks, CFTC, Bloomberg, as of February 28, 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 47.49 and a high of 59.77. This period saw a slight decline in volatility, with the index registering a -0.12 sigma move (as measured by our rolling 30-day z-score) near the end of the month, following its monthly low on February 21.

Source: CF Benchmarks, Bloomberg, as of February 28, 2025

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Network Fundamentals & Reward Rates

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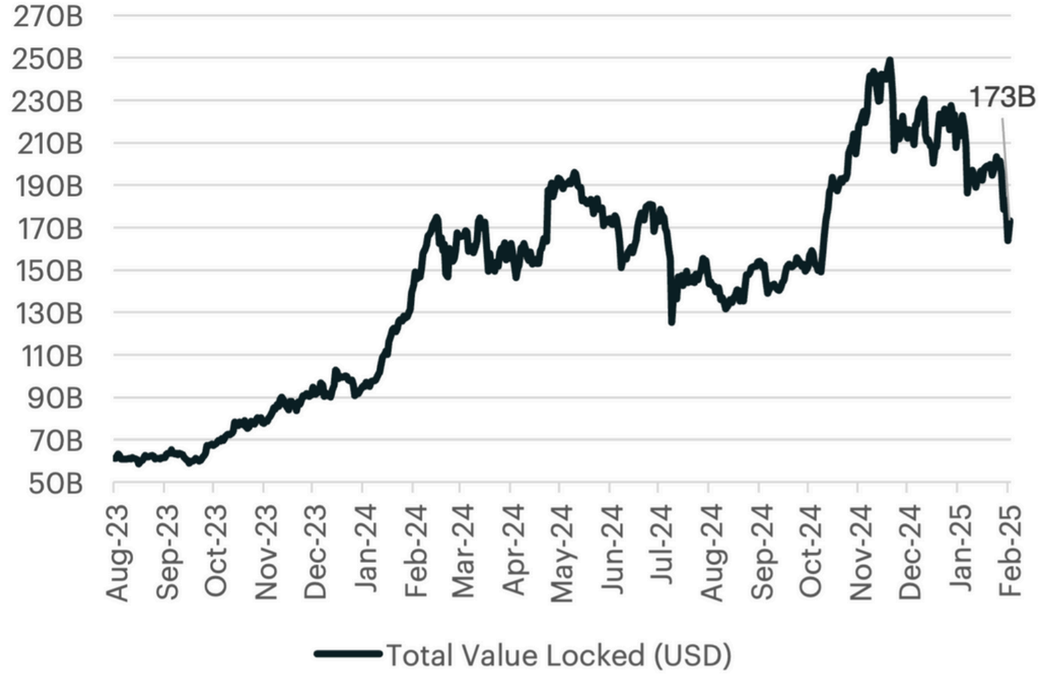
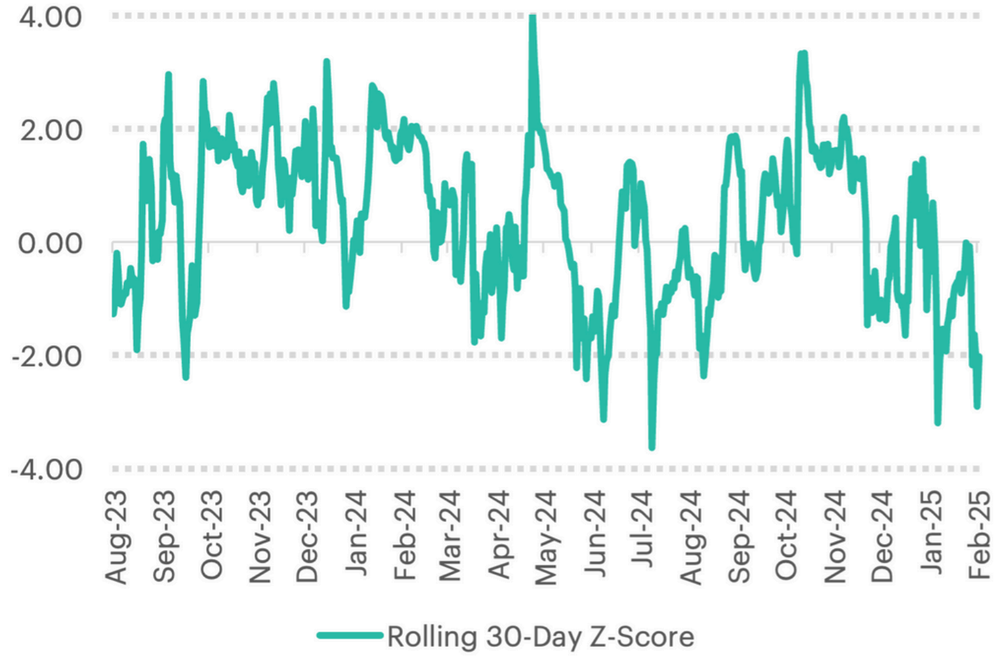
Total Value Locked (TVL) in DeFi Protocols



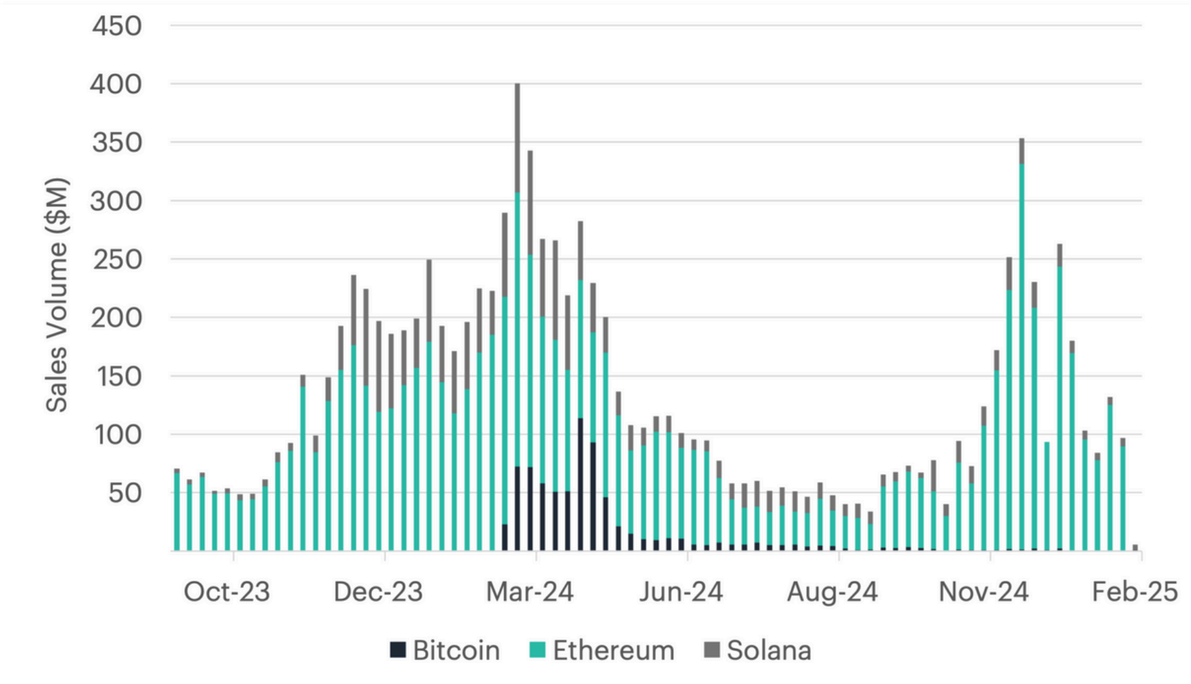


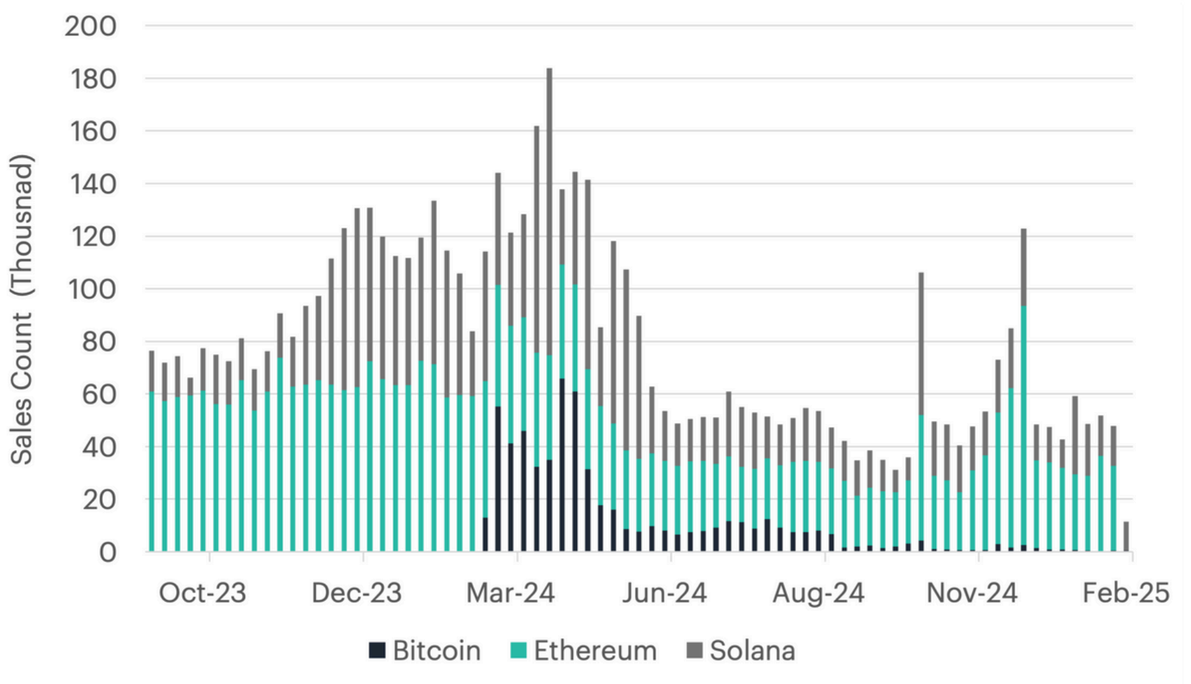
- TVL (Total Value Locked) in DeFi represents the total amount of assets deposited in decentralized finance protocols expressed in USD. It serves as a key metric to gauge the health and growth of the DeFi ecosystem.

- Total Value Locked (TVL) in decentralized finance (DeFi) protocols fell by 22.3% over the past month to approximately $173 billion. This gain was largely attributed to the decreased value of tokens locked in liquid staking protocols on Ethereum and Solana.

Source: CF Benchmarks, DeFiLlama, as of February 28, 2025

Weekly NFT Sales by Blockchain





- In February, Ethereum retained the top position on the NFT sales volume leaderboard despite a -51.2% decline in volume. This drop followed heightened market volatility, leading to a -23.4% decrease in transaction count.

- The Bitcoin network experienced the largest decline, with sales volume dropping by 55.9% as the number of transactions fell by -52.3%. Meanwhile, Solana's sales volume plummeted by -32%, accompanied by a -9.5% decrease in transaction count.

Source: CF Benchmarks, Dune Analytics, as of February 28, 2025

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Mining Metrics

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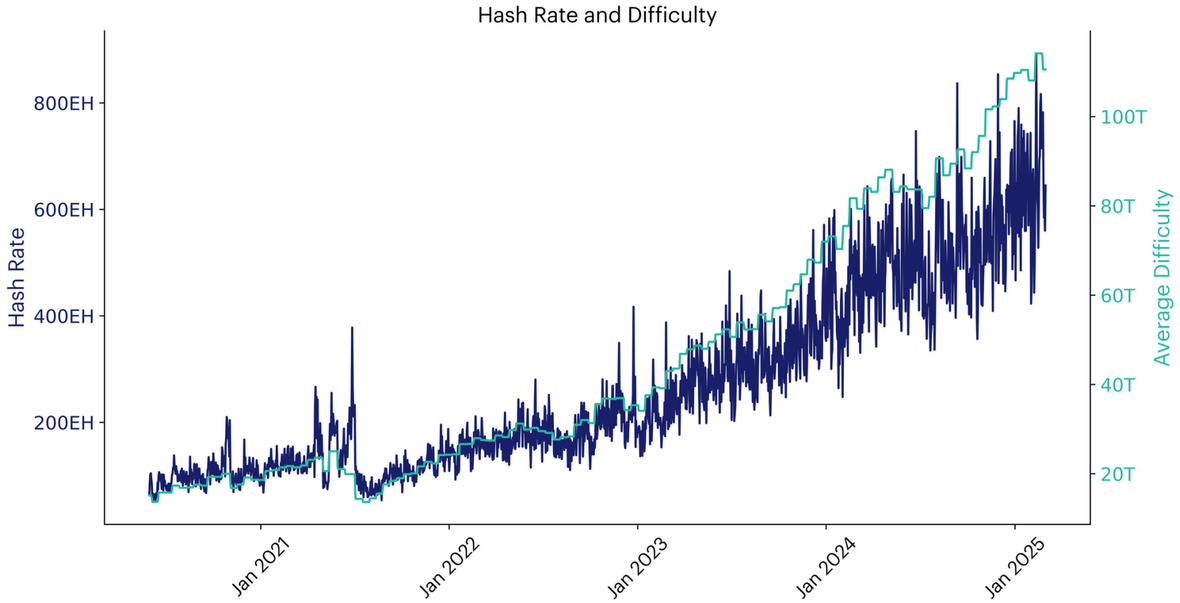
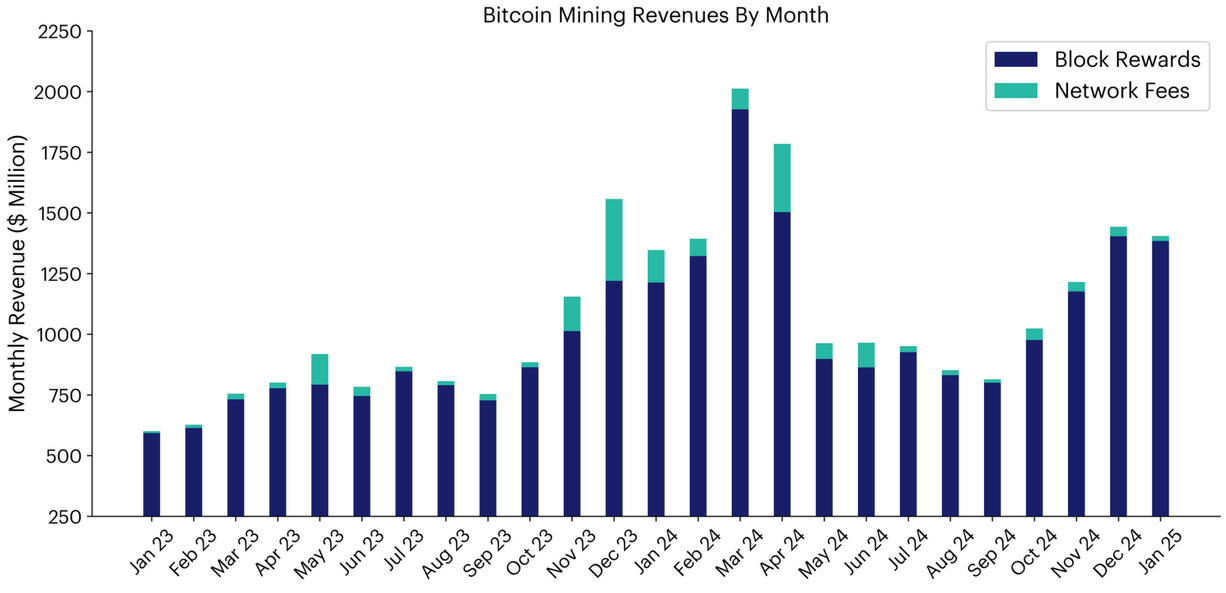
Bitcoin's Hash Rate & Mining Revenue



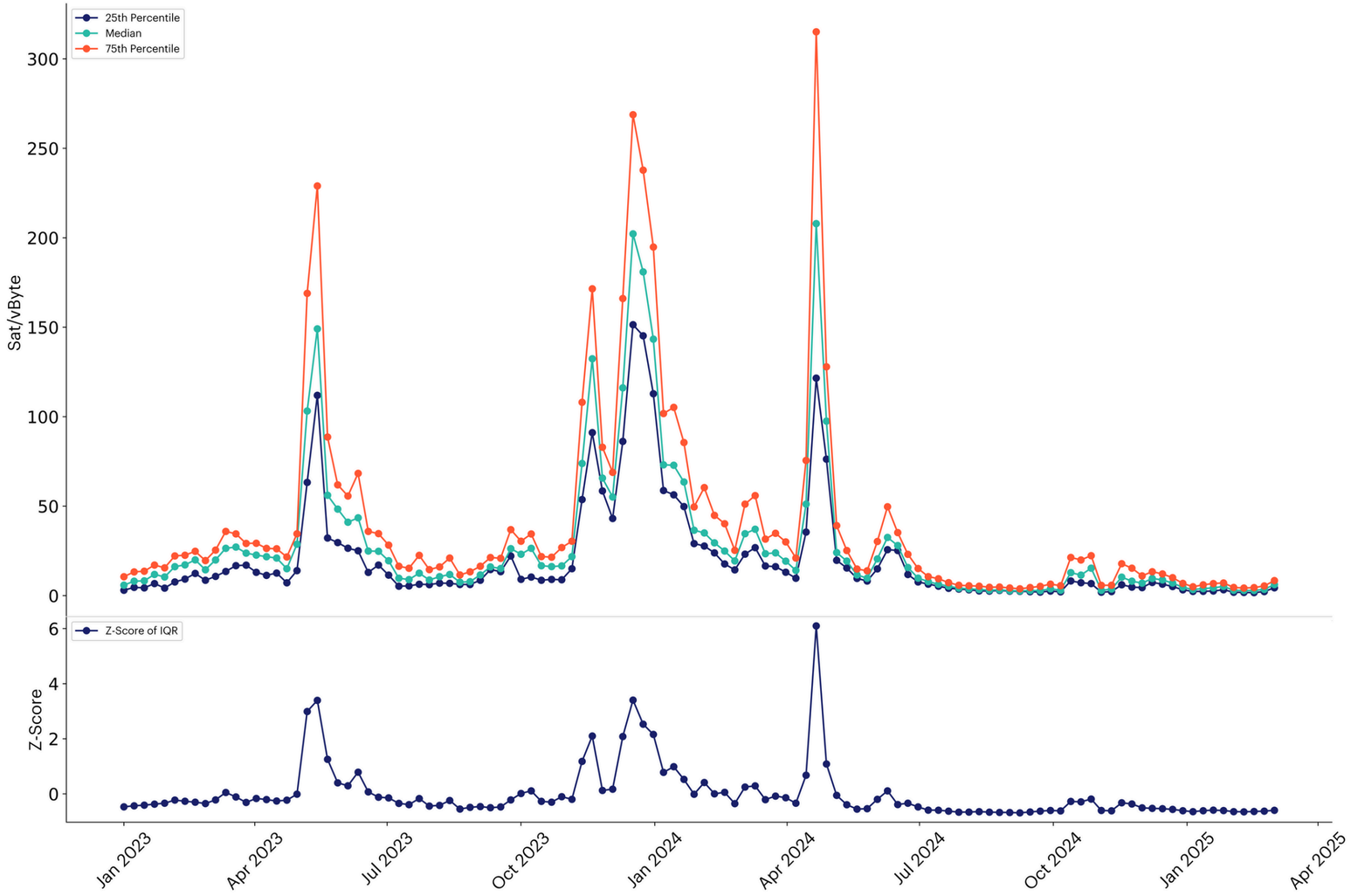


- Bitcoin's average monthly hash rate declined in February, falling -0.7% to 641 exahashes per second. Mining difficulty, which measures the computational effort required to mine a new block and adjusts to maintain consistent block creation times, increased by 2.3% over the month. The next difficulty adjustment is expected in the first week of March and is currently trending toward a 0.5% increase.

- Bitcoin miners experienced an -11.8% decline in mining revenue in February. Of the total miner rewards for the month, 1.3% came from fees, down from 1.4% in January. Despite an increase in Bitcoin's price, declining on-chain activity led to lower overall revenues for miners.

Source: CF Benchmarks, Dune Analytics as of February 28, 2025

Bitcoin Network Fees



Source: CF Benchmarks, Dune Analytics, as of February 28, 2025

- 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.

Bitcoin Mining Matrix

Efficiency (Watts /TH)	Bitcoin Price (USD)								
	$68,450.81	$72,053.49	$75,845.78	$79,837.66	$84,039.64	$88,241.62	$92,653.70	$97,286.39	$102,150.71
34.0	$48.41	$50.96	$53.64	$56.46	$59.43	$62.40	$65.52	$68.80	$72.24
29.5	$55.79	$58.73	$61.82	$65.07	$68.50	$71.92	$75.52	$79.30	$83.26
24.0	$68.58	$72.19	$75.99	$79.99	$84.20	$88.41	$92.83	$97.47	$102.34
21.5	$76.55	$80.58	$84.82	$89.29	$93.99	$98.69	$103.62	$108.80	$114.24
18.5	$88.97	$93.65	$98.58	$103.77	$109.23	$114.69	$120.42	$126.44	$132.77
17.5	$94.05	$99.00	$104.21	$109.70	$115.47	$121.24	$127.30	$133.67	$140.35
15.0	$109.72	$115.50	$121.58	$127.98	$134.71	$141.45	$148.52	$155.95	$163.74
13.5	$121.92	$128.33	$135.09	$142.20	$149.68	$157.17	$165.02	$173.27	$181.94

- 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 $62.10 per MWh, as reported by the EIA in December 2024.
- 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, Dune Analytics, as of February 28, 2025
EIA.gov as of December 31, 2024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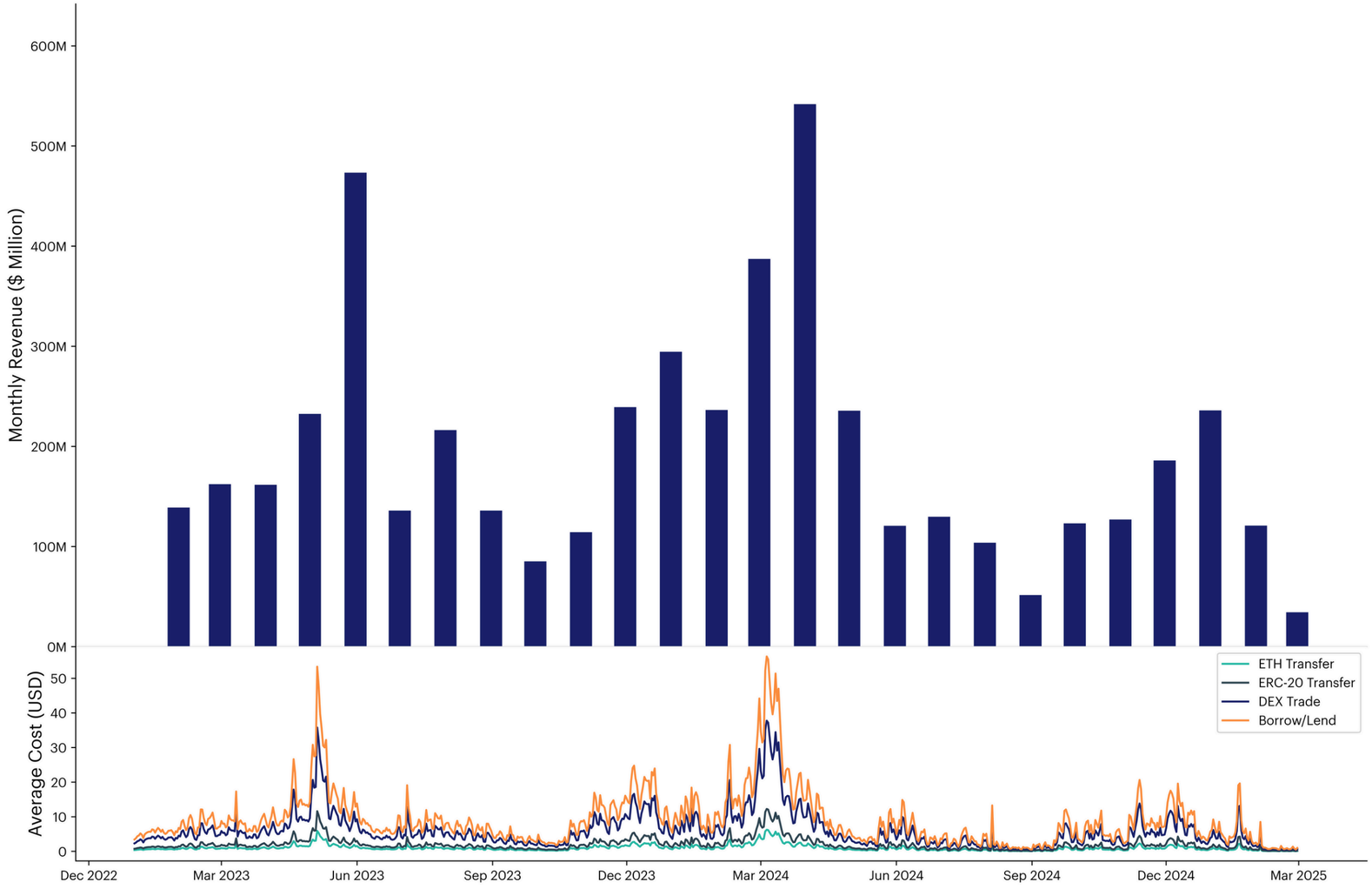
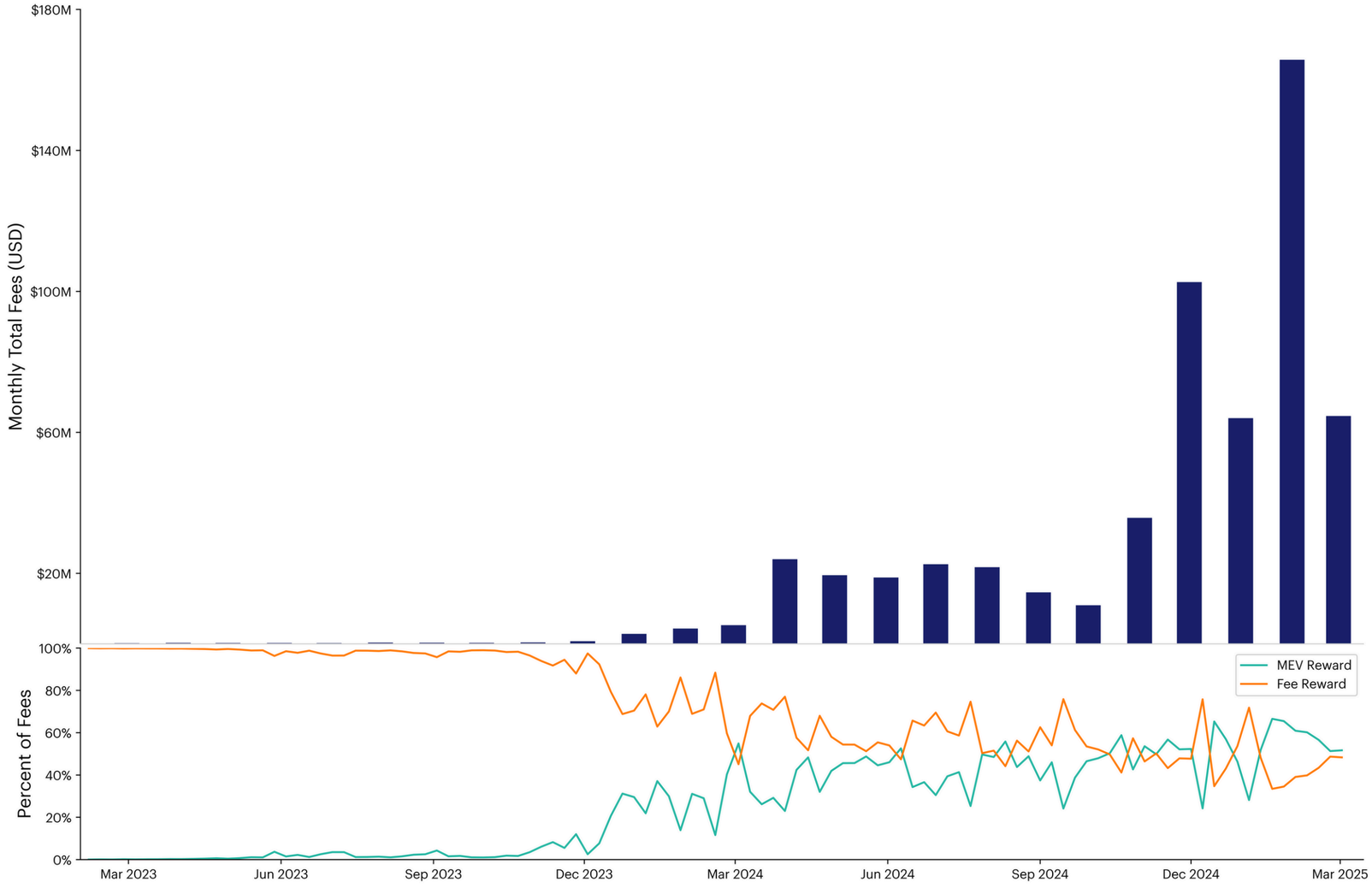
Ethereum Network Fees & Revenue



Source: CF Benchmarks, Dune Analytics as of February 28, 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 February, total fees paid on the Ethereum network dropped -71.6% from the previous month, reaching $34.4 million. While overall fees declined, the -42.2% decrease in average fees per interaction suggests that fewer transactions occurred, but at higher individual costs.

Solana Network Fees & Revenue



Source: CF Benchmarks, Dune Analytics as of February 28, 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 February, total fees paid on the Solana network fell -60.9% from the previous month to $64.7 million. MEV accounted for approximately 56.5% of total fees, reflecting strong demand for block space driven by competitive on-chain activity.

Staking Rewards & Inflation Rates

Network	Staking Reward Rate	Inflation Rate	Participation Rate	Real Reward Rate
Ethereum	2.87%	0.82%	27.75%	2.05%
(1-Month Change)	*0.10%*	*0.39%*	*-0.17%*	*-0.29%*
Solana	7.02%	5.60%	63.23%	1.42%
(1-Month Change)	*0.11%*	*-0.08%*	*-2.26%*	*0.19%*
Cardano	2.62%	1.97%	60.10%	0.66%
(1-Month Change)	*-0.04%*	*-0.03%*	*0.10%*	*0.00%*

- 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.

Source: CF Benchmarks, Dune Analytics, stakingrewards.com as of February 28, 2025

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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

Contact us

Have a question or would like to chat? If so, please drop us a line to:

info@cfbenchmarks.com

Appendix

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